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WEST EUROPE REPORT

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SOMMER VIEWS RESULTS OF ROME NATO CONFERENCE ON THE

Hamburg DIE ZEIT in German 8 May 81 p 1

Article by Theo Sommer: "By the Fingertips/Euromissiles: America Intends To Negotiate"

Text In Rome the NATO Council of Ministers confirmed a foregone conclusion: The alliance's two-part resolution dating from December 1979 will not be cut in half. The intention remains to modernize the Western atomic arsenal in Europe while simultaneously negotiating with the Soviets on limiting medium-range nuclear weapons. U.S. Secretary of State Haig plans to discuss the "timetable" with his official Moscow colleagues in September; the actual negotiations might then begin even before the year is out.

America's European allies celebrated the Rome agreement as though it were a great victory. Nevertheless, many of their satisfied commentaries sounded very much like whistling in the dark. They are not quite certain whether the American "yes" is linked to preconditions. They have their doubts that harmony prevails within Reagan's team — Defense Minister Weinberger has frequently coolly outmaneuvered the secretary of state. And particularly those five countries in which the new weapons are to be stationed would like to have seen an earlier and firmer date.

There was the sound of preconditions in this remark by Haig: "What we consider an urgent and fundamental necessity is evidence of Soviet moderation with respect to Afghanistan and the Third World," Does this mean that the opening of negotiations is to be made to depend on Soviet good behavior in distant parts of the world? The Europeans do not go along with that, especially since Reagan lifted the grain embargo imposed because of Afghanistan without setting conditions of any kind. They think the arms control dialogue has to be conducted independently of other international political crises. They allow for only one exception in this regard:

A Russian invasion of Poland would destroy any basis for negotiation.

At the same time, the undeveloped elements of American foreign policy are causing anxiety among many European observers. The specific source is less the personal jealousies and squabbling over spheres of responsibility between Haig and Weinberger than it is the dispute between conservative pragmatists and conservative ideologues that is eroding all unity, with the pragmatists sitting in the State Department and the ideologues at the Pentagon and the White House. The two groups are fighting over U.S. foreign policy priorities. The sequence goes like this for the pragmatists: first, negotiations on weapons modernization; then a redefinition of the

SALT process; last is a comprehensive determination of the overall relationship with the Soviet Union. The dogmatic contingent, on the other hand, wants first to define the overall relationship, draw from it the consequences for SALT and only them see which conclusions result with regard to the medium-range weapons problem. The "hawks" have aloved things down substantially so far. Reagan has placed two notorious hawks at the arms-control policy helm — SALT opponent Eugene Rostow (disarms-ment agency) and General Rowney (disarmsment negotiations). These appointments do not inspire great hopes for unbiased negotiating.

The delays are troublesome. They are causing problems especially for those West European countries which are encountering increasing public displeasure over NATO's weapons modernization plans. This displeasure is making itself felt most strongly in Holland; it is having a relatively severe effect in the FRG, Belgium and Great Britain; the most indifferent reaction so far has come from the Italians. If the start of negotiations is actually put off until the end of the year, it is not difficult to predict a further strengthening of the aversion to weapons modernization—quite apart from the fact that it will probably be virtually impossible to make enough progress by the time of the SPD Party Congress in May 1982 to keep the chancellor's party reliably in line.

Not that there is anything against the new atomic debate. Every succeeding generation absolutely must deal anew in its own way with the problems surrounding nuclear weapons, with their morality and rationals. Democracies have to conduct and endure such debates. But if Washington, with its sharp-tongued and dilatory attitude in the matter of arms control, creates the impression that it intends to arm first and negotiate later, it will be adding grist to the mills of all those who wish to use their criticism of the weapons modernization program to poke holes in the whole strategy of deterrence. Such hesitation is making life difficult for those very governments which are giving loyal support to the NATO resolution.

7458 CSO: 3103/309

PREDICTIONS ON TERRORISM AFTER MORETTI'S CAPTURE

Antiterrorism Experts Interviewed

Rome L'ESPRESSO in Italian 19 Apr 81 pp 35-44

[Interviews with police magistrates and judges involved in anti-terrorist efforts, conducted by Maurizio De Luca and Franco Giustolisi. Dates and places not given.]

[Text] Magistrates and judges with expertise in the anti-terrorist "branch talk to us about the look of things to come in the wake of Moretti's arrest. And they answer these three questions: Who is Moretti, really? Who can replace him? Will the Red Brigades change their strategy? If so, how?

Rome, Saturday 4 April: -- Mario Moretti, after eluding police search for 8 years, has just been arrested in Milan, along with Enrico Fenzi. The Red Brigades have been beheaded at a single stroke. Does this mean that they are finished? That we can at last consider terrorism a thing of the past? L'ESPRESSO talked about these issues with three magistrates who have been involved for years in the struggle against the armed terrorist groups. They are: Giancarlo Caselli, public prosecutor in Turin (he ran the major investigations of the Red Brigades), Alberto Bernardi, assistant prosecutor for Turin (probes of the BR and Prima Linea), and Pier Luigi Vigna, assistant prosecutor for Florence (investigations of Prima Linea and Azione Rivoluzionaria). We also listened to the opinions and analyses of other prosecutors with expertise in terrorism: Giovanni Tamburino, surveillance magistrate in Padua (he ran the investigation on the Rosa dei Venti), Maurizio Laudi, public prosecutor in Turin (the Prima Linea prosecution), and Armando Spataro, deputy prosecutor in Milan (investigation of the Tobagi murder), who was the first police official to talk with Moretti immediately after his capture. Here is the verbatim transcript of our conversations.

L'ESPRESSO: What will Moretti's arrest mean?

Caselli: Mario Moretti was the last of the big BR fugitives. When Patrizio Peci was arrested, in March 1980, Moretti was sticking fairly close to Milan, using his alias of Nico, but the findings of all our terrorist investigations show him popping up just about everywhere in Italy. He is charged with involvement in all the Red Brigades' major

crimes, beginning with the Moro killing, busy at all times in organizing or reorganizing the BR. These charges are the basis for the broader charge that Moretti was at a very high level in the organization's summit structure.

L'ESPRESSO: When did you magistrates first get wind of Moretti?

We first heard of him around May 1972, in the course of our very first probe of the BR, the one in Milan, that turned up the hideaway on Via Boiardo. But we shall see now what the arrest of a man believed to be one of the big bosses, a man like Moretti, can mean. Most certainly it will mean more problems, organizational as well as political, for the Red Brigades, because this means that the organization has lost a head, a personality of extreme importance. Now the terrorists will have to replace this leader with another leader of the same quality, and there is no evidence that there is another such, nor yet that it will be easy to find him. And in any case, it will be impossible to replace -- in the short run -- that vast store of experience we may assume Moretti had accumulated over so many years of clandestine activity. These, though, are not the only problems facing the BR: Moretti had become a sort of mythical figure, like the Scarlet Pimpernel. He was the uncatchable, the eternally elusive -- to the point where people began weaving theories about him...

L'ESPRESSO: What theories?

Caselli: Not mine, certainly. The theories were all creatures of the newspapers, solely and exclusively yours. But they were theories, all the same. Take this myth of his immunity to capture, his elusiveness: we know how much of an edge myths and tales of this kind can bestow, from the criminal point of view, upon terrorist organizations, how much easier they make it to win converts, to what an extent they can pave the way to a broadening of the area of political consensus. Having put an ignominious end to that myth assuredly creates enormmous difficulties for the BR. And that is an achievement of which the forces of law and order will certainly be informed. At the same time, however, as we have said from the outset and cannot but repeat again now, the BR are not one single man: they were not Curcio, and probably they are not Moretti In short, the BR are a group that acts in response to certain outstanding figures, who, objectively, have greater stature than the rest: but the Br are, first of all, and still, an organization. And so arrests like Curcio's, at the time, and Moretti's just now are certainly important; and yet the organization is still there, and we must go on fighting it.

L'ESPRESSO: Just who is Moretti, though? What sort of man is he? Can we try to work up an identity profile for him?

Caselli: According to Peci he is certainly a top leader. And he is not the only one to say so, either in what were closed procedings and are now awating public approval of the arguments: everybody talks about him as if he were a boss, an individual with the presence, the authority, incisiveness of a boss. And he also had the charisma of a leader.

L'ESPRESSO: Was he the boss, or only one of the bosses?

Caselli: There are investigations still under way. We cannot say that many people spoke of him a one [of several] leader.

L'ESPRESSO: Let's look at the map of the Red Brigades that have survived: which are the areas where the terrorists are still strong?

Bernardi: We have received specific reports about the Red Brigades organization only through repeated questioning of Peci. The biggest columns in Peci's time were the one in Turin, the one in Milan, the Veneto column, and the Genoa and Rome columns. And there were other columns being formed in Naples and in Sardinia. Since then, the Turin column has been badly hurt, and for all practical purposes destroyed. Extensive damage has been done to the Roman and Genoese columns as well. Other columns have taken heavy losses as well, and probably those that were in the formative stages have not managed to grow to any extent. All we can do, though, is make guesses. What is certain is that the BR still exist, probably with the same organizational patterns, although we have no specific information to that effect. We have, however, received some signs that the BR, even where they have sustained major defeats, are indeed regrouping now.

L'ESPRESSO: Where? Give us a few examples.

Bernardi: The Piedmont would be one example. And it is possible that here, once again, the BR are picking factories in a move to resume the plan that was aborted with the mass arrests in April 1980. Even though it is certain that the arrests of Moretti and Fensi will give rise to at least a semblance of crisis. Perhaps we shall be able to get some kind of signal as early as 4 May, when two major trials -- one of the Red Brigades and the other of Prima Linea -- will open in Turin.

L'ESPRESSO: Do you expect Moretti to turn state's evidence for you?

Caselli: Even though we have a lot of repentant terrorists these days, that gives us no licence to predict what Moretti will do. In any case it behooves us to remember that up to now, the only one of the regular BR to talk has been Peci. All the rest were irregularls, or members at a lower level.

L'ESPRESSO: Does Moretti represent the highest political level in the Red Brigades?

Bernardi: I still remember something Patrizio Peci said to me when I asked him whether all the Red Brigades were included in the table of organization he was explaining to us: "Just what do you think the Red Brigades are? You've probably overestimated them. We're a group of individuals, not even so very many, well organized, strictly compartmentalized: but we're all here. There is nobody else above the strategic leadership. There's no truth in the hypotheses you keep making."

But then, whether or not the extent of Peci's knowledge is something he exaggerates is something on which we can have no mathematical certainty.

Vigna: Let's go back a minute to the first question: whether or not terrorism is really over and done with. Some big things have been done, but let's not delude ourselves. Take for example a smaller case like the one in Florence. Not a single at'ack since April 1979, a wave of arrests in May of that same year, and still more arrests in January of 1980. And since then, not a sound. Hence we might deduce that there is no more terrorism. But no: terrorism is not out in the open, but there are still terrorists getting ready to strike. And there are always new faces. For instance, last December when we arrested top people like Susanna Ronconi, the net picked up other people who had never been suspected: husband-and-wife couples who, by day, were occupied with the most innocent and peaceable of occupations -- banking, the trades and crafts. People who were actually not even known to be mildly likely to join armed struggle movements.

L'ESPRESSO: And did these people above suspicion hold important positions in the terrorist organizations?

Vigna: Whether they were very high up or not I couldn't say. But I do know that in their nice quiet houses they had machineguns, pistols, and bombs. One of them, a craftsman who did picture-framing, had also set up his own hand-grenade factory. So I should be very wary about saying that terrorism has been stamped out once and for all.

L'ESPRESSO: But if almost all of them are already in prison, where might danger come from?

Vigna: You just said it. From prison, first of all. And for two basic reasons. By now the leaders, the summits of the various organizations, have all wound up in prison, and they are are putting pressure on their people outside to keep terrorism alive out there. and think for a minute how many more ideas and programs can be worked out in a state of isolation, and what lengths those who work them out will go to in order to get them into friendly hands outside. In the second place, prison has long since become a gathering place, or, more accurately, given the present situation, a place for regrouping and restoring solidarity, a place where, eventually, even people who want to shake off the idea of armed struggle cannot do so because they know they may well be killed if they try. In prison, right now, actual armed gangs are being formed and growing. I say gangs, and I say gangs in the sense of clusters around specific ideological concepts, and I say armed because, as you know, weapons are often and easily come by in prisons. I can tell you about one episode, by way of example. About 8 months ago a prisoner accused of terrorism asked to see me. I went to see him in the special section at Pianosa, and he told me that his woman had had nothing to do with the armed struggle. Nothing more. I made a note of it. Six months later, the same prisoner sent a request to see me again, this time from Fossombrone prison. He told me that he had asked the Red Brigades for permission to see me that first

time, and it had been granted. Except that by chance, a few days after our meeting, the prison had been searched, and weapons were found. The BR had decided that that prisoner was the informer. They tried to kill him: they stabbed him 14 times w.h an awl, but he managed to escape because the point of the awl broke off. Since then, even though he has been transferred to another prison, he never leaves his cell. Not even during the exercise hour. What I mean is that we cannot allow ourselves the luxury of penning up thousands of terrorist together, because staying in the group is a deterrent for the individual's breaking away, even if he should want to. I mean that, if prisoners jailed for terrorism want to stick with their ideas, let them. But the state has a duty to provide conditions within the prisons which will let anyone who so wishes break off that association. As of now, we do not have those conditions, or if we do they are very fragile and very defective.

L'ESPRESSO: Loes all this mean eliminating the special prisons?

Vigna: I should say that, in the long run, it does.

Caselli: Of course I agree that the prison system is a problem, and a big one. We have to take steps first of all to make sure that there is no continuation either of the current promiscuous mixing of terrorists still strong in their commitment to armed struggle with others who display only indications, often muddled, of generalized rebelliousness, but who could be attracted to a terrorist commitment and eventually wind up as active members of organized groups. The risk is too great, and the danger too grave that in addition to the terrorists who have already avowed their commitment, still more will join them and swell their ranks even inside the prisons. And the possible result, in the end, would be to swell the terrorist ranks on the outside whenever any of this latter group is released.

L'ESPRESSO: In other words, you are not agreed on the need for doing away with the special prisons.

Caselli: As I see it, setting up differentiated prison structures is still the soundest approach, even though we must do more careful screening than we have hitherto. I don't say that we have been wrong up to now. In the past we had to reckon with structures which allowed for nothing very different from what was in fact done. Now we shall have to do our best to see that the screening process is much more sensitive, making use of the new prison structures that are coming into being.

L'ESPRESSO: But how?

Caselli: By drawing a distinction, in my view between one terrorist and the next, between the one who shows that he is still committed to his choice of armed struggle, and the other who would like to get out of it. And also by avoiding mixing common criminals and terrorists. The current promiscuity if certainly detrimental both to the individual and to society as a whole.

servardit I maintain, for my part, that we have to say openly, once and for all: enough of special prisons. A special prison had, at the outset and by rights still ought to have one single meaning: to prevent escapes. But if you accept that, then it makes no tota of sense to build special prisons to prevent escapes, because all prisons should be built with that end in mind. The real problem, therefore, is something class how to change the entire prison structure so that sobody can escape from any prison. And how to change the institution from the inside.

L'ESPRESSO: In what way?

Bernardi: The same way they reformed the police, they could reform the guards, see to it that they really have reached an educational and professional level adequate to the role society assigns them. Also, we must eliminate from the prisons all the irritant factors, both because they encourage violent rejection of the concept of prison as an institution, and because they are marks of our renunciation of some of the principles of juridical civility which no terrorism can over stifle. And when we have done that, let's ease the crowding in the prisons a little bit. Does every soul who has taken part in armed struggle still deserve to stay in prison? Or ought we do draw some distinctions? If so, let's draw them. Once again, I don't know exactly how we should go about it. The fact remains that we are all agreed that the prisons are one of the most dangerous flash-points in our society. And therefore we simply have to do something.

Terrorism Not Stamped Out

Rome L'ESPRESSO in Italian 19 Apr 81 p 36

[Article by Giovanni Tamburino: "The Grand Old Man Is Still at Large"]

Text The last of the Red Brigades? From Peci's capture down to Moretti's, the operational sector of the BR, right up to the field leadership, has been hit hard, and perhaps smashed. There is still the question as to whether or not this is the top level of the organization, or whether, above this field leadership there is a more specifically political body issuing orders to the BR, and -- who knows? -perhaps to other tands as well. I believe that it is a mistake not to look at Italian terrorism as a many-faceted phenomenon and hence as one rife with distinctions, but also with connections. It is a mistake because in so doing we risk confusing lopping off branches -- albeit the biggest ones, if you will -- with extirpating the roots. What do I mean by roots? I am referring to the findings of some of the police investigations that have turned up, along with a purely strategic level, unitying or coordinating bodies at the national level commanding all facets of the so called armed party. I am referring to the reports -- still incomplete but, in my rim, quite credible logically -- of ties at the international level between our home-grown terrorism and certain forces alleged to be using them as a political adjunct. One need only recall, in this connection, the suspicions that leap to mind at news of episocas like "Hyperion" or the Parich office of Potere Operato (Worker Power) International. We are talking here about international channels which, in that they are based on solid information,

make it needless to formulate theories about a central organization or a "grand old man" holed up somewhere east of the Oder.

I have no doubt at all that left-wing "Red" terrorism, as early as 1974, had entered upon a mutation phase which profoundly altered its features and its looks, including its structural deployment. I am also convinced that this metamorphosis can well involve a period of silence, of incrtia. Consequently I believe it quite probable that whenever we see the emergence of terrorism wearing a new face, it will be merely the continuation of the terrorism we see now is nearing exhaustion. I say this because while shrewd blows have indeed been struck at the entire field apparatus, very little has been found in the way of political cover, and what little has been found has not been followed up with anything like adequate vigor.

If we still want grounding for these fears we can find it in the record of recent years when we saw that right-wing terrorism, which had been silent for years and years, suddenly surfaced again in extremely violent guise, certainly in part because the extreme right-wing organizations' political-executive roots had not been thoroughly grubbed out. By making the same mistake today with Red terrorism, we run the risk -- if we overlook the hunt at the political level -- of seeing a resurgence of this brand of terrorism. Whatever new face it may choose to put on is a matter of very little importance.

Press Coverage Criticized

Rome L'ESPRESSO in Italian 19 Apr 81 p 38

[Article by Armando Spataro: "Besides, There's Too Much Water in the Rice-Field"]

[Text] The comment in most of the Italian press about the arrests of Mario Moretti and Enrico Fenzi, as was the case in other earlier sensational events or tragedies resulting from terrorist acts, left me once again in a state of profound perplexity: I believe, in fact, that the media have lost their ath chance to employ the proper form and idiom to give us the unbiased unvarnished news.

I make no claim, obviously, to give anybody lessons in journalistic idiom, much less in professional ethics: but it is time that the Italian press as a whole swore off cliches, sensationalism, and irrevocable choosing of sides, which would make anybody involved in any way in a criminal investigation in matters of subversion automatically becomes a "cold-blooded killer" or a "secret master-mind," unless he or she earns the epithet of an innocent victim "criminalized" or even martyred at the hands of blind and prejudiced courts, the moment he or she is released or partially exonerated. What ought to dominate coverage of such matters is, in the contrary, the facts of the case and the normal propriety of the proceedings in it. And if this is true, what are we to make of the chest-thunping tone taken by the major Italian dailies or, i April? How can we avoid censuring those who wrote of "Moretti's secret Agenda," or who actually boasted that the Red Brigades and terrorism in general had been wiped out once and for all?

of course the arrest of Moretti and Fenzi is an event of exceptional importance, and thus calculated to evoke understandable and disproportionate enthusiasm, but the public must be teld and must understand that neither the Red Brigades nor terrorism of either color has been routed, nor can they be undone by the arrest of one or two or ten leaders. They are not because anybody who would venture to proclaim the final defeat of the Red Brigades would once again be underestimating their political nature and the political and social nature of the premises which give terrorism its capacity for regeneration and for sinking roots; they are not, because Moretti and Fenzi most certainly do not constitute all the military and political vitality of a subversive organization of which we have learned a great deal recently, but about which there is still so very much more to discover.

That is not all, though; terrorism will never be finally isolated so long as this country harbors a pseudo-culture that calls itself "proguarantees" and which sometimes finds in a portion of the press the means to voice its views to some effect: it is the culture that stands ever ready to play the sounding-board for the "lords of terror"; it is the culture that compromises; that talks of making legitimate self-defense a crime, though fully aware of the abyss that separates felonious criminal complicity and the legitimate exercise of constitutionally guaranteed rights; it is the culture that mocks, dismisses, and slanders the "repentant prisoner" who cooperates with the law; it is the culture of unjustified pietism; it is the culture that periodically worries over its own moral responsibility only after this or that murder, over Emilio Alessandrini, Guido Galli, or Walter Tobagi, but never finds the strength to free itself of its own ambiguity.

'Fission' Theory Rejected

Rome L'ESPRESSO in Italian 19 Apr 81 p 40

[Article by Maurizio Laudi: "Know That 'Dragon's Teeth' Theory? Well, It's Wrong"]

[Text] Somebody has already come up with the theory that Mario Moretti's capture could trigger a "dragon's teeth" effect in the BR that would lead to the formation of new armed terrorist groups.

Generally speaking, I do not recall the arrest of individuals identified as top leaders of a gang's having triggered a fission process in the original group and the subsequent formation of new terrorist structures (or, at least, no such occurrence has ever emerged in any police investigation). And so I do not think that making predictions on this score in the aftermath of Moretti's capture can be taken seriously.

I believe that any reconstruction that would automatically make the "fall" of a single leader trigger the formation of new armed struggle gangs is simply too pat. That, I believe, applies especially to the BR, which have showed us over what is now more than a decade that they have unfortunately achieved complex levels of organization, expressed in a remarkable plurality of instances of "political" decisions and

of "military" strikes: the brigades and the columns at the local level, and the fronts, the strategic leadership and executive committee at the national level. Hence it does not seem very likely that the arrest of a single member, even an important one, could, in and of itself, trigger the fission mechanism in the BR and subsequent formation of new gangs.

No question but that the history of the armed party in Italy has been marked by numerous mergers and "pullouts"; one need only cite the two latest and best-known examples: the movementist wing under Morucci which pulled out of the BR, and the group of defectors from Prima Linea in September 1979. But in every case the switch was the climax of very heated polemics within the armed gang, which developed over time and involved the entire organization.

I think, though, that it would be better to do some thinking about such major police operations as the one in Milan. In its immediate aftermath the confusion attendant upon the "fall" of people perceived as historic leaders can indeed bring about an enterprising response in the structure hardest hit, just to prove that the armed band is still alive and active in a certain area. Furthermore, in the middle term, the discovery that the myth of the invulnerability of the armed groups has taken another shrewd blow and that the hopes of immunity for their generals and foot-soldiers have turned out to be far less reasonable than they may have been in the past, might encourage tendencies toward scrapping the idea of armed action. This, of course, applies to those terrorists who may have retained sufficient lucidity to grasp the fact that the terrorist road is a dead-end street, both in the face of the isolation into which the armed party is forced by the democratic reaction of the community, and because of the perspicacious work of the police forces.

61⁵2 CSO: 3104/251 ENERGY ECONOMICS

HYDROELECTRIC PLANTS UNDER CONSTRUCTION, PLANNED

Athens O OIKONOMIKOS TAKHYDROMOS in Greek 23 Apr 81 pp 39, 40

(Article by G. Papanikolaou)

[Text] One of the most important units in the country's development of its water potential and in using our domestic resources to help meet our energy needs was incorporated into the network of the Public Power Corporation (DEI) following the recent dedication of this unit by the president of the Republic, K. Karamanlis.

As of now, the Pournarion hydroelectric plant, a short distance outside Arta, with a power in excess of 300 megawatts and an output of 500 million kilowatt-hours annually, accounts for about 6 percent of the total power from the stations of the DEI's interconnected network, and this plant increases by 21 percent the power of its hydroelectric stations!

And this is only the currently visible portion of a truly grandiose program for the exploitation of the country's hydrodynamic potential.

It will be followed by a number of hydroelectric projects which by 1985 will have added roughly another 800 megawatts, which will have an output of 1,80° million kilowatt-hours.

These projects are the combined "Sfikia" and "Asomata" project on the Aliakmon River, the hydroelectric project "Stratos" on the lower portion of the Akheloos, and the station at the "Piges" site on the Acos River.

Sfikia and Asomata

More specifically, the unified complex of the two hydroelectric projects of Sfikia and Asomata, at a distance of 20 and 7 kilometers respectively south of Veroia, constitute together with that of Polyfyton the primary stage in the hydroelectric development of the central section of the Aliakmon River. The foundation-laying for the two projects was carried out on 12 April by Premier G. Rallis, and construction on the projects has proceeded at a significant pace.

The power of the two hydroelectric units will be 315 and 108 megawatts, while the annual output of energy will come to 660 and 189 [million] kilowatt-hours, respectively.

With the addition of these two hydroelectric units at Sfikia and Asomata to the DEI's existing power plants, including also that of Pournarion, the total power of the country's hydroelectric plass will come to 2,123 megawatts, and the total energy output will amount to about 5 billion kilowatt-hours. These new units increase by 52 percent the rated power of the DEI's existing hydroelectric units, and relative to the total power generated by the corporation's stations the power produced by its hydroelectric stations will account for 38 percent.

Aside from the fact that the Sfikia hydroelectric station is one of the largest in the country, the distinctive feature of the complex which consists of these two projects is that they constitute the first hydroelectric project to be constructed in Greece for generating energy by the method of pumping and water storage.

By this method (of pumping and storage at Sfikia), during the night hours when the system has available cheap base energy, this energy will be used for pumping water from the Asomata reservoir to the reservoir at Sfikia.

During the day and in the peak-load hours, this water, together with the water which flows from the Polyfyton hydroelectric project, will pass through the stations of Sfikia (for the second time) and Asomata, thus producing very valuable hydroelectric power.

In this way, of the total energy output of 660 million kilowatt-hours annually at the Sfikia station, some 260 million will derive from the above-mentioned pumping of the water. Consequently, the total hydroelectric energy output at Sfikia will derive from the storage of the water flowing from the Polyfyton hydroelectric project which is located upstream from it, and the storage of water from Asomata by pumping this water from that location.

It is noted that the Asomata station will be underground, at a depth of about 50 meters from the crest of the earth dam, which will have a length of 205 meters and a height of 52 meters. The crest length of the earth dam of the Sfikia project will be 220 meters, and its height will be 82 meters.

Both projects are going to be incorporated into the DEI network in 1984.

The civil-engineering works for Asomata have been undertaken by the company AEGEK Corporation, and those for Sfikia by the company Road Construction and Surfacing Corporation. And the company ETKA Corporation has carried out the boring of a diversion tunnel at Sfikia. The electrical-engineering equipping has been undertaken for both projects by the Italian company Gruppe Industrie Electro Meccaniche (GIE).

Assuming no contract revisions, the total direct contractual cost for the civil-engineering works and the supplying and installation of the electrical-engineering equipment is 4.5 billion drachmas for the Sfikia project and 2.5 billion grachmas for the Asomata project.

It should be noted that the Asomata hydroelectric project (as well as that of Pournarion) has a twofold utility. That is, aside from the hydroelectric generation of energy, between April and September the irrigation systems of the

Veroia plains regions, which have a total area of 1.400 million stremmas, are also going to be served.

Utilization of Water Potential

The relatively short time of about 5 years within which the construction was carried out for the new hydroelectric station at Pournarion 1. Foof, according to the DEI administration, of the gravity and earnestness with which the DEI is handling the development of our domestic energy resources. According to the same view, this is positive evidence that this corporation's schedule for the other projects as well which are included in the plan for developing our water potential does not amount to merely blips on the DEI's planning schedule but rather constitutes concrete, considered steps which are being carried out in a methodical way.

And there are a number of such steps to be taken after 1985 as well. Aside from the projects which we mentioned above and which are at their realization stage, there are provisions for the construction, after 1986, of four dams (Avlakion, Sykia, Mesokhora, Glystra) with a total power of 830 megawatts and an output of 1,800 million kilowatt-hours. Likewise, for the Arakhthos River the large project of Stenon-Kalarritikos is being provided, while on the Nestos the provisions call for the construction by the end of the decade of the 1980's of a hydroelectric station with a power of 370 megawatts.

All of these projects mean that whereas between 1955 and today nine hydroelectric projects have been constructed (including that of Pournarion) with a total rated power of 1,700 megawatts and an output capacity of 4,200 million kilowatt-hours annually, within the current decade (1980-1990), nine more hydroelectric plants will be established with a total power of about 2,000 megawatts and an output of 3,600 million kilowatt-hours per year. That is, within 9 years the rated power of our hydroelectric plants will more than double, and their capacity will about double.

In this way, the utilization of more than 50 percent of the country's exploitable water potential will have been attended to, it was asserted by Minister of Industry and Energy St. Manos in his speech at the opening ceremonies for the Pournarion unit.

As for making use of smaller hydroelectric plants, the DEI and the Ministry of Industry and Energy have made a further positive step. As Manos stated, "aside from those large projects, we are also studying the institutional framework which will give to local self-government and possibly to private parties as well the opportunity to develop — country's water potential by means of small hydroelectric projects. It is hoped that in this way no water potentaial will remain unexploited."

The opportunity which is opened up in this way for the complete development of the country's water potential as well as for the participation of local selfgovernment in sectors which up to now were considered the exclusive domain of the national organizations is truly of great importance. If one considers that according to calculations, in our country today there are about 500 areas which are hydroelectrically developable, with a power of from 300 to 5,000 kilowatts, and that the total of the country's water potential which will become economically exploitable with the passing of time is estimated at 15.5 billion kilowatt-hours annually, then one can appreciate the significant role which local self-government can play in this 3-ctor.

another factor which ought to be noted in this connection is that the studies on and construction of the large Pournarion project (its water reservoir is three times larger than Lake Ioanninon) were carried out by Greeks. In his speech at the dedication of this unit, the governor of the DEI, Rafael Moysis, paid particular homor to, among others, those who contributed with their labor to the realization of this project, to the DEI's Division of Hydroelectric Studies under Metsovion Polytechnic Professor Stavros Nikolaou, to the Greek and foreign contractors, as well as to his predecessor as governor, Professor Angelopoulos.

"The struggle of the DEI," stressed Moysis, "is a struggle against the high price of oil. And this is an arduous and unfortunately extremely costly struggle. There is only one way for us to win it. The way employed here at Pournarion. Our dedication to productive work."

Other Projects

In addition, we are also pushing forward on developing the hydroelectric potential of the Arakhthos River in western Greece, through the construction of a project in which three British companies will play a leading role.

The companies of (Bini) and Partners, (Sir William Halcrew) and Partners, and Kennedy and (Donkin) are participants in the English-Swiss-German-Greek consortium of eight companies which the DEI has selected for this project.

This project provides for the development of the middle and upper course of the river, and it is estimated that its entire construction will cost more than 50 billion drachmas, according to statements made by a spokesman for the (Bini) company.

Concerning the project for developing the middle course, provisions are being made for either the construction of a dam about 155 meters high at Pistiana, or the construction of a low dam 65 meters in height at Pistiana and a second dam 100 meters high near the headwaters of the river at Agios Nikolaos. The total power of the project on the middle section of the river will be about 360 megawatts Advisability studies on this project have not yet been made.

But the advisability studies for the development of the upper course were completed in 1972. This phase includes the construction of a dam at Stenon which will be located on the main channel of the river, as well as a second dam on the Kalarytinos River. Both of these dams will have a height of about 200 meters, and their reservoirs will be joined together by a tunnel 7 kilometers long. Another tunnel also 7 kilometers long will unite the Kalarytinos reservoir with an underground electricity-generating station having a power of about 720 megawatts.

12114

CSO: 4908/154

ENERGY ECONOMICS

COMMISSION RECOMMENDS EXPANDED COAL IMPORTS

Prankfurt/Main PRANKFURTER ZEITUNG/BLICK DURCH DIE VIRTSCHAFT in German 5 May 81 p 2

Article date, ined The Hague, 4 May, by vg.: "Holland Returns to Coal - But Mining of Own Reserves Not Profitable"

Text Over the next 5 months the Dutch government will have to spend a total of 936 million gulden on a progres to reintroduce hard coal in the Netherlands. A recommendation from the Progres Preparation Commission established at the end of 1979 for the National Coal Exploration Progres (NOK) — a recommendation presented to Minister van Aardenne and submitted by him to the Second Chamber of parliament — lays out a 5-year progres and describes 126 projects which can make it technically possible to resume the use of hard coal in a socially and economically responsible manner.

It also deals extensively with the environmental consequences of reintroducing hard coal and calls for protective and restrictive seasures in this area. The commission advises the economics minister to allot the 936 million guiden as follows during the next 5 years: 259 million for converting gas to liquid fuel; 256 million for the environmentally sound fluid-bed firing process; 119 million for the processing of combustion residues; and 105 million for conventional combustion methods.

The commission believes that it would not be profitable to emplore and mine the Dutch hard coal deposits and that the entire amount of coal expected to be consumed in the Netherlands in the next 20 years will have to be imported.

As regards possibilities for the use of this hard coal in the Netherlands between now and the year 2000, the commission presses that direct combustion will be the most important technique. It thinks that the conversion of coal into gas will not be economically profitable until after 1990. As the recommendation reads, it is consequently important that great attention be paid in the years ahead to the technical, economic and, above all, the environmental consequences of the direct combustion of hard coal.

Because of technical advantages and the positive environmental impact, the commission shows a decided preference for fluid-bed firing, which merits further development and early introduction by way of demonstration projects. It tends to be skeptical of coal/oil mixtures, however, which could be used to only a limited extent for generating electricity but would nevertheless be worth some development and

demonstration projects. Writing about the conversion of coal to gas, the commission says that this technique is already so well developed in the Netherlands that projects in this field should be left to private initiative and should receive virtually no support from the state. It is also the commission's view that coal lique-faction, which requires large investments and promises small return, can hardly be undertaken for the present.

7458 C30: 3103/310 ECONOMIC

WORKERS EXPERIENCE SUDDEN GROWTH IN FORCED LAYOFFS, PART-TIME

Oslo ARBEIDERBLADET in Norwegian 5 May 81 p 9

[Report by Lone Hansen and Kristin Moksnes]

[Text] Layoffs from Norwegian jobs are spreading like cold gusts of wind over large parts of the country. More and more workers, both men and women, are laid off or given part-time. At the end of March 4,200 persons were laid off from their jobs, and that is 1,800 more than at the same time last year. A total of 7,400 workers now have reduced hours, and that is 3,900 more than last year.

It is especially bad for the population of Finnmark. In the Vardø district the number of unemployed increased by 311 persons just in the course of the last 6 months. The failure of the cod fishing has had widespread effects on the fish industry along the coast of East Finnmark.

Normally the overall unemployment figures go down somewhat from January to May and June. This year, on the contrary, the figures have gone up, it is reported by many county employment offices around the country.

We find the highest figures for workers laid off and put on part-time in the counties of Nordland, with 1,500; Møre and Romsdal, 1,100; Rogaland, 1,000; Finnmark, 900; Oppland, 900; and Buskerud, 800.

"It's hard times for people in Finnmark, and the coastal population is especially hard hit. We have to go many years back to find as difficult a situation on the job market as we have now," Jostein Stafnes, of the County Employment Office, tells ARBEIDERBLADET. "At the beginning of May there were 1,472 men and women completely without work in our county. That is an increase of 124 over March, and an increase of 321 since April of last year.

"In addition there are 754 partially unemployed, with the forced days off in the fish industry. The cod fishing went wrong, and that has led to a shortage of raw material in the fish industry. There is a question whether East Finnmark should not be excepted from the closing of the fishing season in July," says Jostein Stafnes.

Increase Expected

in Troms, too, an increase in the unemployment figures is expected now that the winter fishing is over. In that county there are 2,180 unemployed in all. Figures for the end of March show that 382 of these are laid off and 217 have been put on part-time. This is down somewhat from February, but compared with March of last year the figures have increased. To this must be added the layoff notices from two key firms in the district, Tromsø Skipsverft [= Shipyard], where 60 men must go because of lack of incoming orders, and Troms Treforedling [=Wood Products], where the work force is being halved because of overstocks.

In Nordland, too, the figures for unemployed and laid-off workers are increasing. Four hundred fifty persons have been laid off from their jobs, while 1,024 have been put on part-time. A total of 3,062 persons are unemployed, and in March there were 579 more without work than at the same time last year.

16 Plants Hit

In the west, too, there is an unusual situation on the job market. Sixteen plants in the furniture industry have put their people on reduced hours. And that is to be compared to none in March of last year. Just in the course of one month, from March to April, 101 persons have become unemployed. The first quarter of this year shows 370 given notice against 250 last year.

The number of unemployed in Oppland county has increased by 70 percent over last year, we were informed at the county employment office. Manufacturing and construction are especially affected. Unemployment has increased every single month since last fall.

Late Spring

In Buskerud, too, more and more employers have found themselves compelled to lay people off. The number increased from March to April from 90 to 120. An unusual number of workers have had to accept reduced hours, we were informed at the county employment office in Buskerud. The late spring, with its consequences for such branches as agriculture, forest industry, and construction, may be a contributing cause to the unemployment, which is considerably higher than last year.

8815

CSO: 3108/135

ECONOMIC

BRIEFS

BANKRUPTCIES INCREASING--During the first quarter of this year there were 199 bankruptcies and 8 compositions. This is shown by the credit market statistics at the Central Bureau of Statistics. The corresponding figures for last year were 189 and 13. This corresponds to an increase of 5.3 percent in the number of bankruptcies over the first quarter of 1980. Oslo had 42 bankruptcies, Akershus 21, Hordaland 19, Østfold 14, South Trøndelag 13, and Møre and Romsdal 12. Of the new bankruptcy and composition proceedings opened in 1981, 44 were in merchandising, 37 in construction, 29 in manufacturing, and 14 in transportation and storage. The statistics are based on information from NORSK LYSINGS-BLAD. [Text] [Oslo ARBEIDERBLADET in Norwegian 5 May 81 p 9] 8815

CSO: 3108/135

ECONOMIC SWEDEN

ULLSTEN URGES LOWER TAXES, SPENDING CUTS TO BOOST ECONOMY

Stockholm DAGENS NYHETER in Swedish 9 Apr 81 p 2

[Article by Ola Ullsten, Minister of Foreign Affairs]

[Text] When the socialists and nonsocialists were evenly divided in parliament, the Social Democratic government strove for agreement with the opposition. At that time, both middle parties accepted their social responsibility, even though this involved tactical disadvantages for the parties. Such cooperation should also be possible in today's taxation and economic policies. So writes Minister of Foreign Affairs Ola Ullsten.

In several important areas of Swedish society, we have a long tradition of agreement among the democratic parties. Constitutional issues are one such area. For good reason, it has been considered natural and correct to try to reach agreement among the parties concerning the groundrules of democracy. Foreign policy and defense questions are two other areas in which the democratic parties have considered agreement to be of great importance, especially to give the rest of the world a feeling of credibility for the continuity of Sweden's security policies.

This tradition is worth safeguarding. It is based on the idea that it is possible to reconcile a vital political debate over the many questions in which the parties' judgements differ with joint positions on questions in which their differences may be bridged.

Spirit Of Haga

Is such cooperation possible with regard to taxation and economic policies as well? It was at one time when parliament was evenly divided. Instead of drawing lots to decide issues, the Social Democratic government chose to seek the consent of the opposition. Both the Center Party and Liberal Party were aware of the tactical disadvantages to their parties. Being in the opposition and at the same time being responsible for vital parts of the government's policies is not always popular. However, both middle parties were aware of their social responsibility. Useless confrontation was replaced by the spirit of Haga.

The difference between the evenly divided parliament and the one vote majority of today is not especially great. Another difference is all the more important—the economic situation in the country.

Charges in the international economy have created different conditions on which to base our policies than those we have experienced during such of the post-war period. Rapid growth, especially during the fifties and sixties, enticed us to make far-reaching reforms. Today growth is too slow for us to keep our promises of rapidly and steadily rising standards. This is true both for private consumption by way of wages and social redistribution of wealth and for various types of public consumption.

Balance Problem

It is of little consolation that other countries are in a similar situation. In addition to this Sweden, which is extremely dependent on foreign trade, is especially bad off in certain respects. Our high cost of living compared to the rest of the world seriously threatens the competitive strength of Swedish companies. The OECD countries have a total deficit in their balance of payments of about \$75 billion. Sweden's share of this deficit is considerably greater than can be justified by our oil imports.

The economic policies of the past 4 years have struggled rather successfully with all these difficulties. However, what we have managed to accomplish here at home in the form of cost reductions through lower employer fees, devaluations, and moderate wage agreements and through savings within the public sector has been insufficient. The new balance of payments problems we are now facing are like carbon copies of those we have already faced.

As I say, we cannot complain about the wage agreements that have been reached. Savings in the public sector have meant that the previous 6 percent rate of increase has been halved. Nevertheless, expenditures are increasing more rapidly than economic growth. This differer e adds up to budget deficits and unmanageably large loans, especially abroad.

Decreased Read Wages

If this trend continues, it will force a decrease in real wages for working people that will be greater than those indicated by the long-term forecasts. If, instead, this is expressed in terms of tax increases, it would mean 15 to 20 billion kroner per year, which corresponds, for example, to an increase in employer fees by 10 percent or an increase in the value-added tax of a similar amount.

The way out of this crisis is not to undertake unilateral belt-tightening measures. This alone would not help us regain a balance in our national economy. However, to make room for the industrial expansion that is necessary, belt tightening is unavoidable. In addition, we must take active steps to see that investments, especially in the export industry, are kept at a high level. Various measures must be taken to utilize more effectively production resources already in existence.

Thus, we must both work and save our way out of the crisis. We cannot, however, spend our way out of the crisis. In that case, our trade deficit would worsen further—even today we are near the limit where additional loans are not a practical possibility. If we fail to take the necessary steps now, we will enter a situation in which inflation would increase because of the budget deficit, interest rates would rise even more in an attempt to counter currency crises, and unemployment would increase catastrophically. The crisis would intensify and become permanent. To avoid that catastrophe we must change our economic policies. We must expand the industrial sector,

increase industrial investments, improve profitability, and increase the competitive attempth of businesses. This, in turn, assumes that we will decrease both private and public consumption. This change in our political course must be accompanied by an offert to maintain a high level of employment.

All this is easy to say, but difficult to accomplish. The task would be dilitual even with a much greater majority than the present government has. It will be incomparably more difficult to accomplish if it must be carried out through difficult battles with a one-vote majority in parliament. In my op.nion, Swedish politics have been characterized all too long by tough confrontation and increasing polarization. The voices on the political extremes have become more and more high-pitched. The polemics have become more and more irreconcilable. No party and no politician is completely without guilt in this matter.

Broad Cooperation

But a society that stands before the economic difficulties we are now facing cannot afford to waste its strength in a false debate when everyone actually agrees on what type of measures are needed. The price of such tactics can be high. At stake here is nothing less than our social welfare and full employment.

I believe that people in Sweden are aware of this, that the realization of the crisis is widespread. The facts also indicate clearly what must be done. It is just as clear that what must be done will be more effective the firmer these measures are rooted in all the democratic elements of Sweden. In short, the time has come for broad support of true crisis policies.

This would be good for Sweden's economy. In addition, it would increase confidence in our politicians' ability to accept social responsibility. Sweden's welfare should be worth an attempt at cooperation.

9336

CSO: 3109/156

RCONOMIC SWEDEN

OFFICIAL REPORT FINDS GROWTH RATE LESS THAN EXPECTED

Stockholm SVENSKA DAGBLADET in Swedish 28 Mar 81 p 31

[Article by Olle Fahlen]

[Text] Sweden's economic putput in 1980 was far below the value calculated by the government for its financial plan in early January. There the total growth in production (GIP) was given as 2.2 percent. Accually it was just 1.4 percent.

This was indicated by the national accounting report published yesterday by SCB (Central Bureau of Statistics). Actually, however, the economy was even worse than indicated by the annual average listed in the table below.

The worsening economic situation began in connection with the conflict in the labor market last year. This caused the GIP to drop by almost 3 percent (adjusted for seasonal fluctuations) between the first and second quarters. That corresponded to a decrease in production of about 3.6 billion kronor.

A certain recovery occurred during the third quarter, but it was limited to just over 2 percent or 2.6 billion kronor.

Subsequently, however, the GNP again dropped during the final quarter of last year by about 0.5 billion kromor.

This means that Sweden's GIP at the end of 1980 was over 1 percent less than at the beginning of the year, even though the average for the year was 1.4 percent over the 1979 level.

Increased Household Savings

In its January report, the Ministry of Economy made two major errors in its calculations--private consumption and exports.

from its depressed level during the first half of last year, private consumption rose considerably during the fall. Nevertheless, the fourth quarter was still much worse than the same quarter in 1979. This also meant a weak decrease in volume for 1980 as a whole.

This was true even though real disposable incomes per household rose by 2.5 percent. Thus, households saved more than their total increase in income.

Slight Increase in Inventories

The ministry had counted on only a slight decrease in the volume of exports, while the decrease actually was 2.5 percent. The recovery following the conflict was totally insufficient. Instead, the decline continued during the fourth quarter—and apparently during the first quarter of 1981 as well.

It would have been natural for companies to counter the declining demand from consumption and exports by increasing inventories. This has apparently not occurred, however. The increase in inventories was lower than the ministry thought.

Instead, it is clear that companies chose to decrease production, certainly in many cases due to bad experiences from the previous period of economic decline, when they were encouraged to increase inventories greatly.

One positive effect of the low demand is that import figures have also been reduced. Even though both consumption and exports decreased, however, imports rose by just over 0.5 percent.

Financial Balance	1979	1980	
Private consumption	2.7	-0.1	(0.3)
State consumption	3.3	1.7	(0.8)
Municipal consumption	5.0	3.4	(3.8)
Gross investments	5.3	1.7	(1.5)
Industry	3.4	15.3	(16.4)
ate	-2.3	5.9	(8.0)
micipalities	0.3	3.5	(2.5)
ousing	3.1	-8.4	(-8.4)
investments in inventories1)	1.8	1.4	(1.7)
Exports	6.8	-2.5	(-0.7)
Minus: Imports	13.2	0.7	(1.3)
GIP	3.9	1.4	(2.2)

1) Change in percent of GIP of previous year. Figures in parentheses indicate preliminary calculations by Ministry of Economy in the Financial Plan of January.

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CSU: 3109/156

ECONOMIC SWEDEN

MOLYBDENUM, TUNGSTEN FINDS REPORTED

Stockholm DAGENS MYHETER in Swedish 10 Apr 81 p 9

(Article by Bo G. Andersson and Ola Sall)

[Excerpts] LKAB Mining Company has kept secret information concerning several metal finds in Arjeplog Township, the township that will soon make a decision on LKAB's request to mine uranium in Pleutajokk. The metals in question--molybdenum and tungsten--are both important for Sweden's steel industry and today they are imported almost exclusively.

Today DAGENS NYHETER is able to report secret calculations. Mining the metals would provide 50 to 100 jobs, among other things.

Opponents of uranium mining now see their chance to save employment in the township without the uranium mine. It is assumed that uranium mining in Pleutajokk would provide about 200 jobs.

So far the state-owned mining company LKAB has found 1.8 million tons of molybdenum ore and a smaller quantity of tungsten in the mountain region near Allebuoda, about 50 kilometers north of Arjeplog.

"We have determined beyond question that this quantity exists, but since the figure has risen steadily we are hopeful that there is even more molybdenum and tungsten in the area," LKAB's molybdenum and tungsten project leader, Kjell Johansson told DAGENS NYHETER.

Even early last fall, when the known quantity of molybdenum was 1 million tons, executives in LKAB's prospecting company wanted to begin mining operations, but LKAB comapny leaders rejected the idea, stating that the operation would be unprofitable.

"It was only later during the fall--when we discovered additional deposits--that we undertook a thorough examination of the project's economic aspects and the jobs it would provide," Kjell Johansson said.

At that time, LKAB found that the quantities of molybdenum and tungsten were sufficient to provide jobs for 50 to 100 persons for at least 10 years.

The economic aspects of the project--considering current prices on the world market-are close to the line separating profits from losses, according to Kjell Johansson.

The metal contents in the molybdenum and tungsten finds in Allebuouda are low compared to most mines abroad--0.13 percent. Because of this, LKAB is planning to construct a concentrating plant in conjunction with any future mine in Allebuouda. Long-distance transports of such low-grade ore would be too expensive.

LKAB is prospecting for molybdenum, tungsten, and other metals in a large region throughout Arjeplog Township and has already found small reserves, especially of molybdenum at other sites.

The idea is to mine both molybdenum and tungsten in the same mine in Allebuouda. Since trends in the world market prices of the two metals are not always identical, LKAB will be able to alternate between the two and anticipate the most favorable prices.

Sweden consumes 5 to 6 percent of the world's molybdenum production. At present, it is all imported and is used in stainless steel and high-speed steel.

Ninety percent of our tungsten is imported and it is used in high-speed steel and is the primary component in tungsten steel.

It was the Swedish Geological Survey that made the finds in Allebuouda in 1969. In 1979 LEAB reached an agreement with the State Mining Board for mining rights in the area.

According to LKAB's management, mining operations could begin within 2 years.

Swedish Imports

Last year Sweden imported molybdenum ore worth 349 million kronor. The corresponding figure 8 years ago was 55 million. During the same period the amount of imported ore increased from 5,900 tons to 6,014 tons.

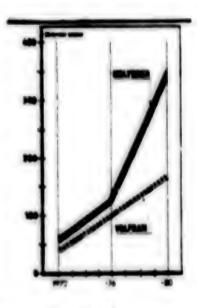
Last year Sweden imported tungsten ore worth 168 million kronor. In 1972 the figure was 39 million. The quantity of ore increased from 2,400 tons to 3,711 tons.

In addition to ore, Swedish industry also imports raw materials and finished products of both metals: 130 tons of tungsten worth 10 million kronor and 102 tons of molybdenum worth 19 million kronor last year.

Tungsten, also known as wolfram, has the highest melting point of all metals and it is the metal that expands the least when heated. Most light bulbs have filaments made of tungsten. The metal is also used in the nose cones of rockets, which must withstand high temperatures. When the metal is alloyed with iron, nickel, cobalt, and molybdenum the alloy becomes very hard and is highly resistant to acids. Such alloys are used in the production of alloy steel.

The largest reserves are in China, the United States, Bolivia, and Australia. There is one tungsten mine in Sweden--Yxsjoberg in Bergslagen, which yields about 50,000 tons of ore annually.

Molybdenum is a rare metal that is not mined in Sweden. It is normally used in the ferro manganese form as a component in automobile shock absorbers or axles. In light bulbs he metal is used in its pure form to suspend the filament.



- 1. Million kronor
- 2. Molybdenum
- 3. Tungsten

9336

CSO: 3109/156

ECONOMIC

BUSINESS INSTITUTE INDICATES MODEST UPTURN IN FALL

Stockholm . ENSKA ba BLADET in Swedish 7 Apr 81 p 27

[Article by Olle Fahlen]

[Text] The March figures from the Business Institute give the first indication of an improvement in Sweden's financial situation during the last part of 1981.

Companies believe that there will be an increase in orders from the export market even during the present quarter. This means that they are planning to increase production during the second half of this year.

However, the increase will probably be slow and unemployment in industry will continue to drop, at least until late fall.

All of this is in the future--for the present, all curves are pointing downward. During the first quarter of this year, production volume continued to drop, which led to an additional decrease in companies' utilization of their capacity. During March, only 29 percent of industrial companies were operating at full capacity.

The decline in production has a severe effect on employment. According to SCB's (Central Bureau of Statistics) statistics, the number of workers in industry during January was 13,500 less than for the same month last year. Just since December the figure has dropped by 3,500.

Record Drop

Behind the drop in production and employment, of course, is a very low level of demand. During the final month of last year, industry suffered the greatest decline in orders in the history of these surveys. Orders continued to decline during the first quarter of this year.

It is precisely here, however, that companies now perceive an improvement. They believe that orders from export markets will again rise between the first and second quarters of this year. On the domestic market, however, the decline will continue, although at a slower pace than previously.

The export predictions seem to agree well with information obtained from SCB's export questionaires. There, too, companies are anticipating a slight improvement in export sales during the rest of the year.

Rise Will Wait

However, one should guard against seeing the companies' export predictions as a sign of rapid recovery in the Swedish economy, for two main reasons.

First, the international competitive strength of Swedish industry has declined due to currency developments over the winter. This will have a sure effect on exports. Secondly, the positive figures mean nothing more than that the decline has been stopped. After the extremely large drop in orders during the past two quarters, sales will remain at a very low level, even following a slight improvement.

For this reason, the increase in production and especially in employment will proceed very slowly.

The overwhelming majority of industrial companies also foresee a continued decline in the number of both blue and white collar workers during the second and third quarters of this year and there will probably be no increase during the fourth quarter either.

Forestry In Lead

As usual, the forestry industry is experiencing the improved economic situation at an early stage. Pulp companies experienced a drastic drop in orders during the final quarter of last year--orders decreased for 80 percent of the companies.

Since then, however, demand has improved considerably. To be sure, orders continued to drop during the first quarter of this year, but during March only 4 percent of the pulp companies believed they had insufficient order backlogs, a decrease from 63 percent in December.

However, the industry is anticipating no great improvement in orders during the second quarter. Nevertheless, an overwhelming majority of the companies are planning to increase production, especially during the second half of the year.

Paper mills, on the other hand, are lagging behind and are planning continued increases in production during 1981, even though export sales are making a recovery.

The primary reason is the weal domestic market, which accounts for 30 percent of the paper mills' orders. These companies anticipate that orders will continue to decline.

New orders for iron works and steel mills dropped sharply during most of 1980 and the decline continued during the first quarter of this year. Sales are continuing to drop during the second quarter, although at a slower pace.

Nevertheless, steel mills have ambitious plans to expand production during the second half of 1981, but it will mean an increase from a very low level--only 5 percent of the companies are presently operating a full capacity. This is the lowest figure for any industry. Of course, employment continues to decline.

Chemicals Go Against Stream

The chemical industry is going against the stream. There employment increased somewhat in early 1981. The industry has been hit relatively mildly by the unfavorable economic situation. Orders from the export market in particular have been more favorable than for other sectors of industry. On the other hand, domestic sales are declining. They are much more important and account for two thirds of the industry's orders.

The production volume will increase by fall, however, following a brief decline during the first half of this year.

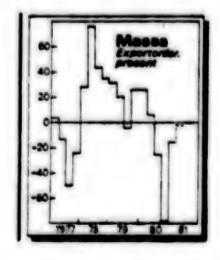
Following declines in four consecutive quarters, sales by the engineering industry on export markets are expected to rise again during the second quarter of this year. The trend is being led by the transportation industry, which previously suffered the greatest setbacks. It also has the most extensive plans of any industry to expand production and employment.

Metal Industry Down

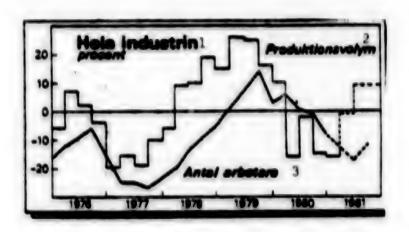
The machine industry, on the other hand, has suffered from declining investments at home and abroad. Orders are decreasing across the board and companies are planning to cut both production and employment during the rest of the year.

The metal goods industry is faring somewhat better, since orders from export markets are expected to increase slightly this spring. This will probably lead to a certain increase in production this fall, but this will cause no great increase in employment. Companies are planning to continue cuts in the labor force during the coming 6 months.

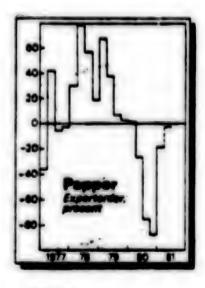
The figures indicate net results, i.e. the difference between the percentage of companies indicating an increase and those indicating a decrease. The solid lines show results. The dotted lines indicate predicted values—for production volume: the second quarter and the second half of 1981; for the number of workers: the second and third quarters of 1981; for new export orders: only the second quarter.



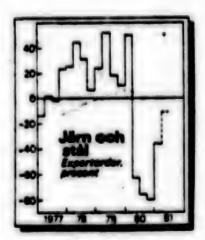
Pulp Export orders, percent



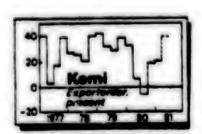
- 1. Industry as a whole percent
- 2. Production volume
- 3. Number of workers



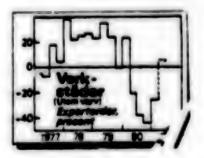
Paper Export orders, percent



Iron and Steel Export orders, percent



Chemical industry Export orders, percent



Engineering industry (Except shipbuilding) Export orders, percent

9336

CSO: 3109/156

ECONOMIC SWEDEN

BRIEFS

AREA LOSES INDUSTRIES--Stockholm inner city once was one of Sweden's largest industrial areas. Now, however, the figures point to a creeping weath of industry in our capital city. During the past 15 years, one out of every three industrial jobs has disappeared from Stockholm. Almost one industrial job in five has been lost in Stockholm Province. New industries are few. The big city has lost its natural attraction for the establishment of businesses. Because of lower wages in rural areas, the textile and garment industries have moved from Stockholm. Urban rener of the inner city and higher rents have accelerated this negative trend. [Text] [Stockholm DAGENS NYHETER in Swedish 13 Apr 81 p 1] 9336

CSO: 3109/156

ECONOMICS TURKEY

GENERAL ACCOUNTING LAW DRAFT PREPARED

Istanbul CUMHURIYET in Turkish 28 Apr 81 pp 1, 5

[Article by Erbil Tusalp]

[Text] Ankara -- Work is in progress at the Finance Ministry on amending the General Accounting Law and the State Contract Awarding Laws, it was learned.

The Finance Ministry completed its work on the draft law amending article 113 of General Accounting Law No 1050 and sought the Audit Office's view in this regard. In the draft law prepared by the Finance Ministry, the name of the general accounting law is changed to "General Fiscal Management Law." According to the information obtained, examination of the "General Fiscal Management Law Draft" which the Finance Ministry sent to the Audit Office has been completed and the draft is awaiting discussion in the Audit Office General Assembly.

The draft revises the rules on advances and fiscal responsibility. The rationale for these rules is shown as "to draw management authorities and responsibilities together and avoid a climate of irresponsible fiscal management."

Article 75 of the draft brings within the scope of the law fund applications which were formerly in the budget laws. The rationale for including the various funds to be formed in the general fiscal management draft is that "the state's basic goals can be realized more efficiently by means of funds, appropriations can be made for the funds and new funds can be established on the basis of special laws on emergency aid, support, incentives and price arrangements." The draft envisages employees of the funds as coming under State Civil Service Law No 657.

The draft also introduces new principles on the administration of public property. Public property is divided into the two categories of "public real estate" and "special public property." Article 78 of the draft says, "All real estate may be procured only on condition of inclusion in development plans and annual programs or as required by special legislation." Special public property of establishments which come under the general budget would be registered "in the name of the Treasury" and special property of other public administrations and organizations in the name of the relevant administration or organization.

Another article provides that "employees of the public administrations and agencies which come under this law shall be able to make use of public property only in exchange for appropriate remuneration, as long as no regulations to the contrary exist in the laws."

The article revising Finance Ministry authority over public property reads as follows:

"The Finance Minister is the procurement authority for properties to be registered in the name of the Treasury, the rental authority for special public property, classifying or declassifying its use for a service, and, for the purpose of meeting the public need and bearing in mind the principle of productivity, the instituting authority of equal rights other than tenure on said properties.

"Classifications for use by public administrations and agencies outside the General Budget shall be realized in exchange for rent to be set between the Finance Ministry and the establishment concerned, to comply with regulations contained in special alws and in accordance with the law governing state purchase and selling procedures. The management and oversight of all war materiel belonging to the armed forces shall be accomplished according to a directive to be prepared by the National Defense Ministry."

8349

CSO: 4907/257

ECONOMIC TURKEY

ECONOMIC RECOVERY, CREDIT NEEDS EXAMINED

Istanbul TERCUMAN in Turkish 26 Apr 81 p 6

[Column by Mukbil Ozyoruk: "Is Destruction of Basra the Condition"]

[Text] Only just now has the large majority of our pundits and intellectuals all at once got a handle on why the nations which have development potential and the resources to develo; it by investing both domestic borrowing and foreign credits in producer resources must not be timid or afraid to go into debt. While the intellectuals of a society express ideas on the important and foremost problems of that society, they have to be "informed" on certain basic principles viable in the specialties and areas of science which the problems involve and have to conduc. their discussions accordingly. We all admit that "logic" in itself is not "knowledge," that a man cannot just go into his office, sit down at his desk and "cogitate logically" to come up with a set of "scientific results" in a branch of the positive sciences such as economics. Nevertheless, there are not all that many who can internalize their own logic without a belief in pure science. For many years, we saw that many of those offering proposals for the solution of our country's more or less grave economic problems took "pure logic as a source from which every science can be born." Others of us, however, have preferred to hold our tongues, reasoning, "Let's leave it to the experts. Let's not becloud the issue with arbitrary speculations." This, I think, was out of respect for science, specialization and information. In fact, the errors have been exhibited one by one of those who claimed, "If I have logic, I know everything." Specialized, positive, factual information has proved its own validity. Meanwhile, we who are not economists, all of us together, have learned certain truths. In particular we understood only very poorly and along only general lines when foreign borrowing was "dangerous and disastrous" or when it was a "beneficial operation." This is why we are happy to see that, with the decisions applied since early 1980, we are slowly squeaking past the terrible and disastrous economic collapse to which the "abstract economic science founded in logic" had brought us in recent years. We may, "At last we have somebody who knows what's going on," and we understand the importance of not interfering, of "not confusing the issue."

Yes, now we see that if we can actually increase production and exportation, there is nothing in the world to fear from foreign borrowing. So what we are all worried about among the elements which will bring these beneficial results to our country is the problem of obtaining foreign credits. How much have we asked from whom, who intends to give how much, who kweps his word, who reneges? The search for, finding and obtaining credits has become something like a ballgame that we are all watching with enthusiasm. The public has now become an expert on the ability to give us credit of the countries from which we ask credit. As for the nations which are suddenly able to part with a few billion dollars and pour out aid to save us as soon as possible from our economic straits which have now been proved so

temporary and whether the nations with which we share historic brotherhood and religious brotherhood are among them, their unnecessarily tight-fisted behavior is an affront to us. Yes, an affront...

Look, our friend Iraq, which sought reparations credit for the destruction wrought in its country by the war in which it is engaged with Iran, found a \$14-billion loan immediately and in one thrust. Saudi Arabia, Kuwait, the United Arab Emirates and Qatar agreed to give Iraq \$6 billion, \$4 billion, \$3 billion and \$1 billion respectively all in one package. And it is a good thing they did, because the war that Iraq was forced to get into is, according to my investigation and what I believe, "a legitimate defensive war." Swift compensation through credit by the other Arab nations for the damage Iraq has suffered was imperative. We have no reason to be jealous ... On the contrary, we are happy. The problems which Iraq faced and in which it needed to be strong were thus resolved. However, the "lenders" are our historical and religious brothers and "a strong Turkey" is of extraordinary importance to them both today and for the future. Nevertheless, the credits opened for us can hardly be called "billions" in the past few years. If the war destruction of Basra was borne in mind in giving friend and brother Iraq a lump credit of \$14 billion, let us immediately note that it would be too late and too much of value would be lost in seeking the same conditions for Turkey and having billions of dollars in credits opened only "after the destruction of Basra [proverb equivalent to "closing the barn door after the horse is gone"]."

8349

CSO: 4907/257

ECONOMIC TURKEY

CENTRAL BANK READJUSTS REDISCOUNT, ADVANCE INTEREST

Istanbul TERCUMAN in Turkish 30 Apr 81 p 5

[Text] Ankara (ANKARA AGENCY) -- Rediscount and advance interest rates have been reset by the Central Bank. The new rediscount and advance rates which are to go into effect on Friday, 1 May, will raise the general interest rate on both short-term credits and medium-term encouragement credits from 30.25 percent to 31.5 percent. Meanwhile, interest on short-term industrial credits goes from 29.25 percent to 30.5 percent.

Short-Term Export Credit Rate Raised to 24.5 Percent

The interest rate on short-term export credits taking advantage of income tax exemptions is raised from 23.5 percent to 24.5 percent.

Though raising the present 17 percent interest rate on advance procedures on bonds and gold to 10 percent, the Central Bank excluded long-term credits from the rediscount and advance scope. On the other hand, "special medium-term credits" were included. Therefore, rediscount and advance procedures will have an 11 percent interest rate on credits issued by the Turkish Industrial Development Bank or the Commercial Bank and a 10 percent interest rate on credits issued by the Turkish Industrial Development Bank through commercial banks.

Moreover, the notice posted by the Central Bank points out that the stated interest rates will be valid if the rates applied by the banks on short-term credits are 36 percent generally, 27 percent on export credits, 22 percent on professional credits and agricultural credits and on medium-term encouragement credits are 38 percent generally, 24 percent on agricultural credits and 29 percent on credits taking advantage of income tax exemptions and if the credit interest rates applied by the banks are higher than these stated rates, the interest rate to be applied on rediscount and advance procedures will be raised 2 points for each point over.

In addition, if the banks lower by one point each the 36 percent interest rate on short-term industrial credits and the 38 percent rate (in general) on medium-term encouragement credits, the interest rates to be applied by the Central Bank on these credits will be reduced another point for each point by which they are lowered.

if, among the credits taking advantage of income tax exemptions, the banks reduce by .75 point the 27 percent interest rate on export credits and 29 percent rate on medium-term investment credits, the interest rates applied by the Central Bank to these credits will be reduced by 1 point for each .75 point reduction.

However, these reductions in rediscount and advance interest rates will apply only up to (including) 23.5 percent on industrial credits, 18.5 percent on export credits, 22.5 percent on medium-term credits not taking advantage of income tax exemptions and 21.5 percent on credits which do.

8349

CSO: 4907/257

POLITICAL

PASOK STATUS ANALYZED BY DEPENSE MINISTER

Athens I VMADYNI in Greek 20 Apr 81 pp 1, 14

(Interview with Evangelos Averof-Tositsas, minister of national defense, by political editor Kostas G. Skouras)

[Text] PASOK is losing ground both from the Left and from the Center, and for this reason it is reacting expediently in a propagandistic manner, with a lot of noise and crowing. This is revealed by Minister of National Defense Evangelos Averof-Tositsas in his exclusive interview with I VRADYNI. In this inverview, which he granted to Kostas G. Skouras, one of the political editors of this newspaper, the minister of national defense emphasizes that:

- -- The elections will take place around the end of the year.
- -- PASOK is weaker compared to the level it was at 1-2 years ago.
- -- PASOK already received in 1977 all the votes it would get from the Center. And of these, a considerable number will return to the Center, and others undoubtedly will come over to the ND, with which they have an affinity ideologically.
- -- As the results of the latest student elections showed, even there a countdown to the end of Papandreou's movement has begun.
- -- PASOK is neither a party nor a movement, "it is a political group which has said everything which it had to say."
- -- The unity of the New Democracy Party is a given and time-tested fact. It is human to have differences or disagreements. Can Papandreou perhaps make any assurances that by the time of the elections other officers as well will not have been expelled or will not have broken away from his party?
- -- What the government is doing serves the national interests. Those who are always absent from the national contests are in no position to give the ND lessons about patriotism and national dignity.

The Interview

The full text of the interview with Minister of National Defense Evangelos Averof-Tositsas, which was held in his office at the Greek Pentagon, is as follows: Question: In recent days, the chairman of PANOK has been speaking, criticizing, and making statements constantly. Does this mean that he anticipates sudden elections early in the summer?

Answer: Not at all. I believe that Papandresu knows very well that the elections will be held some day within the last months of 1981.

Question: But then it is not explained why he is making these assaults only now. In you see some other important development?

Answer: Certainly I do. A. Papandreou is a very intelligent person. From the aspect of personal relations and demagogic capabilities, he is even charismetic. We is not misled by the political analyses of either the naive, or persons whom, strange to say, he has alarmed. He analyses correctly and reacts or not on the basis of expediency. Thus, the analyses which he is making now tell him that he is losing ground, and for this reason he is reacting in a propagandistic manner with a lot of noise and crowing.

Question: Does not what you are saying conflict with what many people believe and with public surveys by newspapers of the opposition, which show PASOK to be on the rise? What do you think?

Answer: I do not exclude the possibility that it has gained a little in relation to the level which it was at 2 or perhaps even 1 year ago. But I base this conviction of mine on the following analysis:

- 1. PAROK is losing its support on the Left. We know that in many districts the KKE-Exterior has launched an offensive to try to regain a portion of those adherents who voted for PASOK. The switching of PASOK, which for a number of years was Marxist or semi-Marxist, to positions held by West-European socialists who accept NATO, the EEC, and so forth has proved that it is helping along this absolutely logical campaign of the KKE-Exterior. And I confess that I am not able to understand how that wing which put Aris Veloukhiotis in the class of Elevtherios Venizelos is able to remain with a party which recently proclaimed that it has common features with those whom this wing denounced a short time ago as "lackeys" of the American imperialists.
- 2. PASOK is counting on receiving the 12 percent of the disbanding Center.

 2 believe that it has taken from the Center all that it had to take in the elections of 1977. And even of these, a portion will return to the Center, because it is disenchanted with PASOK's propaganda a la Marx and Aris Veloukhiotis, while on the other hand it does not give credence to PASOK's metamorphoses in the direction of the Center. I believe that the entirety of this same, civilized centrist community—the 12 percent which has remained plus the rest which has been induced to leave temporarily—will continue to be centrists. If Mavros, who is a cultured and capable politician, is successful in his effort, the major portion of this centrist community will cant its votes in that direction or else for offshoots of his faction. Another portion will undoubtedly come over to us, who have an ideological kinship to them. Thus, from where will Papandreou draw votes, so as to bring in those percentages which, as he claims, will give him the power, or even will permit him to surpass the percentages of the New Democracy?

The Youth Vote

Question: But by what you are saying, do you not fall into a certain contradiction? Earlier you had said that PASOK probably has gained. If this is so, from what category of voters can it have picked up votes?

Answer: From "ill-gotten gains" and from the youth. I refer to the first catagor in this way because all the factions have their naive people who are pleased by crean promines or who are carried away by spiteful feelings, because for this or that personal reason they have become dissatisfied with their own party. And Papandreou is a master in winning over those who are dissatisfied, whether rightly or wrongly.

I mentioned after that the youth. More than 500,000 young voters have entered the electorate since 1977. Among these new voters, the percentage of votes for PASON is greater, and thus it will be strengthened from this direction. Because although our young people of today are of an exceptional quality, it is natural for a greater proportion of these to accept as true the deceptive but attractive preachings of the Left, since only after a person has become mature is he able to distinguish soundly between the practicable and the merely possible, the desirable and actuality, idle talk and realism. But even in this sector, PASOK will suffer from a certain amount of disappointment. On the one hand, it will receive a greater share than we, but not as much as it thinks it will get. For the first time in recent years, PASOK lost ground and we gained ground in the student elections. At the University of Athens -- with the same very large percentage of abstentions, most of which should be considered as belonging to us -- the PASP (Panhellenic Militant Student Faction) (of PASOK) received 146 seats, compared to the 152 which it had last year, and the DAP-NDFK [Democratic Renewal Vanguard-New Democracy Student Movement] (of the ND) received 89 seats, whereas it had received 70 last year. Although this is only a symptom, it is very characteristic, because it has to do with the "hotbed" of PASOK's strength. even in this sector a countdown has begun.

At this point Averof emphasized to me his general political conclusion, with a sharp tone in his voice:

PASON is neither a party nor a movement. It is a political group, which has said all worts of things. A party will express a certain line, with reasonable small variations, and will convey a sense of responsibility. But here the things said change from black to white, and they prove that there is no sense of responsibility. The majority of Greeks are intelligent, civilized, and proud people. They cannot be led astray by the destructive means of an expedient and irresponsible sloganeering.

The Unity of the ND

Question: As you must have noted, PASOK and the press which is friendly to it are suggesting, openly or indirectly, that there is a lack of unity in the New Democracy Party. Is PASOK perhaps basing its optimism on this finding?

Answer: PASOK has been saying these things for some time now. And it said them especially after 8 May, when the New De- elected its new leader. But the

course taken by the New Democracy has demonstrated that there is unity. It demonstrated this even more on 8 May 1980 and later. As everybody knows, the congresses of the party (local and general) election. Despite this, I remained in the party. I did not cause any problems, and I too supported the unity of the party. If there were disagreements, these were natural, because in a large body which covers such a broad political spectrum it is human for disagreements to exist. And this human quality takes on a certain greatness precisely when this unity is found, despite the existence of differing viewpoints. And I use this word because I believe that the cost of greatness is responsibility.

But PASOK should leave off saying these things and should tell us about the unity of its own faction. And let it answer our question: How many of its best and most aggressive officers has it expelled up to now? By what democratic procedures, with what kind of a dialogue, has it made these expulsions? How much unity does PASOK feel today between West-European socialism and the PASOK of the Tzoumakas wing, which proudly proclaimed where it stands, and we know ourselves where it stands.

Could perhaps Papandreou assure us that by the time of the next elections--that is, by the end of this year--other officers as well will not have been expelled or will not have broken away from his party?

Those Always Absent

Question: Scarcely 24 hours ago, PASOK reiterated its criticism that the government is rushing to wrap up all the unresolved national issues before the elections, by agreeing to any solution whatever. What comments do you have on this?

Answer: Despite a certain cautionary statement by me recently, Papandreou insists on giving us lessons about patriotism and national dignity. Nobody is in a position to give such lessons to people who have stood up and been counted on all the critical national contests. And even less those who are always absent from these struggles. I do not need to stress for your readers that whatever is done by our administration—which has strengthened Greece defensively in recent days—this will serve the national interests.

But I myself can put a question to the chairman of PASOK: Since he is crowing and is certain that the New Year will find him in power, why is he worried? Will he not rectify all of those things we have been doing which he considers bad, will he not pull Greece out of NATO, out of the EEC, if he returns to the viewpoint that these amount to a curse and a calamity, will he not lead us to the Third World? To what, therefore, are his anxieties directed? Do they concern the few months which are left before the elections? No. Quite simply, Papandreou wants to have said everything. His rhetorical skill is great. It consists chiefly in the fact that he can present inaccuracy as the truth.

12114 CSO: 4908/147 POLITICAL NORWAY

LO CONGRESS' RADICALISM SEEN TIED TO LABOR PARTY

Oslo NORGES HANDELS OG SJØFARTSTIDENDE in Norwegian 11 May 81 p 9

[Editorial: "After the LO Congress"]

[Text] The LO [Norwegian Federation of Trade Unions] on the offensive in the 1980's? After the conclusion of the year's congress the answer must be: Hardly. As before, the organization is partly reactionary, partly radical, and solidly anchored in the seeming security that it gives to find oneself right in the Social Democratic mainstream. The last-mentioned factor shows up most strikingly, even though the congress also meant that the wheel was given a very tiny shift in a more "progressive" direction. The form of next year's [wage] settlement, a somewhat more critical attitude toward public "cooperation," the hand outstretched to the PLO, and the resolution on the nuclear-free zones.

Seen as a whole, just the same, it is nothing but new icing on a cake baked according to a well-known recipe. The LO and the Social Democratic Party are still going hand in hand. Like married couples of our time, to be sure, they are trying to mark out independent positions and they wish to give the impression outwardly that they keep each other in line. Back at home, concealed from public attention, everything remains as it was. Life together continues on the premises on which it was entered into.

Surprising? Not really. Some people were speculating in advance about whether the LO leadership would encounter a good deal more resistance among the troops than there has commonly been. And during the discussion of a number of matters it may actually have seemed as if that were happening. But in retrospect it must be said that the opposition was insignificant. The question that aroused the most conflict, and that it was attempted to solve by compromises, more of a verbal than of a real nature—the organization's relation to the PLO—in an overall appraisal is so trivial that it can hardly contain the seed of any real revolt.

Only on one point was disunity documented that was of certain dimensions and possible consequences, and then there was no direct front against the leadership—the high-paid are aligned against the low-paid. That was the situation before the congress, and it is the same to the highest degree afterwards. For the conflict is symptomatic. When the manger is expty, the horses fight. There is little to indicate that the manger will be overflowing any time soon. The horses will therefore continue to be restless. Looked at from this point of view, the LO congress' motto "The Decade of Possibilities" contained a truth that certainly was not intended, namely the possibility that so much can happen in the relationship between these two main groups in the time to come.

0875

CSO: 3108/140

POLITICAL NORWAY

LO CONGRESS AHEAD OF LABOR PARTY ON PLO, NUCLEAR-FREE ZONE

Oslo ARBEIDERBLADET in Norwegian 11 May 81 p 4

[Text] International questions had a more central place at the last LO [Norwegian Federation of Trade Unions] congress than ever before. This reflects the increasing concern with international problems that exists in Norway. We are getting more and more familiar with questions that have to do with war/peace and international economic development. These are no longer questions that it is left to disarmament experts and professional economists to have an opinion about. International conditions have direct effect on, e.g., our own employment situation and in their ultimate consequences affect our very existence. We see it as a healthy sign that such questions are getting widespread attention such as we saw at the LO congress.

The Norwegian trade union movement, of course, cannot solve all of the world's conflicts and calm down an international crisis by itself and restore the dynamics of the international economy. But even in these fields the LO can make important contributions to a development in the right direction. And by putting ever greater emphasis on its international work in recent years, the LO has given itself opportunities for an influence in international questions that extend further than the LO's size would account for in itself. There is no doubt, for example, that the Norwegian trade union movement is listened to with special interest in the international organizations in which the LO participates.

It seems to us that the foundation of the LO's international involvement is well formulated in the Congress's resolution on the international political situation, which reads in part: "The situation calls for a united and intensified effort by international union and political labor movements for detente and a new economic policy for full employment and solidarity with the peoples of the poor countries, and against intervention in national affairs."

The most controversial international question that the congress had to deal with was the relationship to the PLO, and hence as a result also the question of the relationship to Israel. In our opinion it would have been impossible for the congress to take a step that could be interpreted as a disregard of Israeli interests and a contribution to a further isolation of the state of Israel. There have always been close ties between the LO and the Israeli trade union movement, Histadiut, and hence in reality close ties between the Norwegian trade union movement and the state of Israel as well. We have not the least doubt that that is a connection that has broad support among the Norwegian people and among the

union-organized. There has never been any widespread desire among us to compromise with vital security questions of the state of Israel. On the other hand, there is also a need for contact with the PLO, because it is difficult to imagine a lasting solution to the problems in the Middle East without the PLO, as the most representative of the Palestinian organizations, being involved as a part of that solution. The congress therefore also resolved unanimously that the LO, in full frankness toward all parties, will establish contact with the PLO's Workers' Union, which is the PLO's union organization. It is emphasized in the resolution that such contact does not mean recognition of the PLO's program, demands, or positions. The resolution also makes it clear that the relations with Histadrut will be maintained.

It seems to us that this is a resolution that everybody can live with, and that everybody should be able to accept. Moreover, the resolution is clear, and leaves no natural room for any fight over interpretation.

With the unanimous resolution on the Middle East problems and the LO's relationship to Israel and to the PLO, the congress showed the will and ability to get tecether on an incendiary controversial question. In that field the congress carried out a brilliant piece of political work that there is every reason to applaud.

The congress went further than the Labor Party's program and the government's objectives when it comes to the nuclear zone policy. The majority of the congress expressed a wish to establish the Nordic area by treaty as a nuclear-free zone both in peacetime and in wartime.

With regard to peacetime, the Nordic area is already a nuclear-weapon-free zone. We believe it is difficult in the first place to establish this by treaty as a principle that shall prevail under all circumstances. It is also clear that neither Sweden nor Denmark is ready to give its adherence to such a policy. However, we understand the congress's resolution on that point as a green light for the government's and the Labor Party's work for an atomic-weapon-free Nordic area, and as a part of the work toward dismantling nuclear weapons in a larger European context.

8815

CSO: 3108/140

POLITICAL

CONSERVATIVES' STRATEGY INCLUDES PLAN TO GOVERN ALONE

Oslo AFTENPOSTEN in Norwegian 9 May 81 p 3

[Article by Terje Svabø]

[Text] The possibilities that the Conservatives may form a minority government by themselves after the election arouse mixed feelings in the party. In the leadership there is complete realization that such a government would be faced with a difficult balancing act in the Storting. Still, the Conservatives' strategy is clear: The party's spokesmen both in the Storting and outs'de it must until the election keep it completely clearly in view that everything that is proposed must be defensible by a pure Conservative government. Also: the non-socialist alternative has not been lost sight of. A Conservative government with the Christian People's Party and the Center Party as pillars of support in the Storting is a solid alternative to a continued Labor Party government that would be dependent on the SV [Socialist-Left Party].

It is still the Conservative Party's wish that it will be possible to form a majority government of the three biggest non-socialist parties. If for no other reason, in any case because of the fact that it is a great advantage for a government to have a majority in the Storting. In the Conservative leadership it is hoped that the forces willing to cooperate in the Christian People's Party, with party chairman Kare Kristiansen at their head, will be able to enter into a broad-based government in spite of the party congress's resolution.

Today that does not seem very realistic, but in politics you never can tell. There is also reason to point out that the situation will be quite different after the election, when the non-socialist parties may have gained a majority in the Storting. Then it will be necessary to find a way to a government alternative, and the parties of the center know that if it is not possible to form a majority government only one alternative will exist: a pure Conservative government.

For that reason the Conservative Party is now mentally preparing itself for having to govern alone. In spite of the fact that in the postwar period the party itself was guarantor for a broad non-socialist cooperation, the Christian People's Party's resolution has reduced the possibilities. In time to come we shall see that Kare Willoch's sober line in economic policy will gain if possible still greater strength in the Conservative Party.

The Conservative Party will be able to answer, after the election, for everything that is said and proposed in the election campaign. In the party it is viewed with concern that the parties of the center, both at their congresses and in their work in the Storting, have a tendency to indulge in a policy of overbidding. Kare Willoch has now warned his fellow members of parliament very strongly against going along with that sort of conduct. For that reason the Conservative Party, in the discussion of the important matters that remain before the Storting adjourns, will take great care not to go along, in the name of compromise, with bills for which a clear and unambiguous economic cover cannot be shown. Rather than that, it will stand alone.

That strategy does not mean, however, that the parties of the center will encounter a more arrogant Conservative Party. Joint non-socialist positions in the Storting committees will continue to have a high priority, but clearer limits have been drawn for how far one can go.

In view of all the important tasks that await, it is nothing less than a paradox that it is the abortion issue that will pave the way for a pure Conservative government. It is also hard to get around the majority in the leadership of the Christian People's Party that understand that this single issue will prevent a broad coalition.

The question has recently been raised in various quarters how the leaders of the Conservative Party, especially Jo Benkow, the chairman, have been able to establish that it is impossible to meet the Christian People's Party halfway on the abortion issue. The basis of that question is: Now that the members of the Conservative parliamentary group are free to take their own positions on the abortion issue, surely Benkow cannot categorically state that it is impossible to meet the Christian People's Party halfway.

If one wishes to understand the realities, the statement by the Conservative leaders is not so hard to understand. It should be obvious that leaders of a political party in which all the parliamentary representatives are free on the abortion issue have no mandate to negotiate.

In 'he Conservatives' new Storting group, views on abortion will be divided. It will even include adherents to the Christian People's Party's restrictive line. The Christian People's Party should understand that no leadership can bind a group of such divided positions. Such binding would be devoid of reality.

In the Conservative Party the reasoning is therefore as follows: The party's offer concerning a three-party government stands open if there is a non-socialist majority in the Storting. For the Conservative Party, however, it is impossible to do more than has already been done to get the other two parties to accept the offer. Since the probability is low at present that the other parties will go along in a broad government, the Conservative Party must prepare for the formation of a pure Conservative government.

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The Conservative Party also considers it a great advantage that the Christian People's Party has clearly emphasized that the party is willing to support the formation of a pure Conservative government. For that reason it is emphasized in the Conservative Party that the parliamentary base for a Conservative government may be better than the base that the Labor Party can get after the election. It is pointed out that the Labor Party must govern without any declaration of cooperation from one or more parties, but at the SV's pleasure.

It is such a line of thought that must lie behind Jo Benkow's repeated statements that the parties must lay their cards on the table, not fool the voters. The Conservative leaders wish to point out that there is no point in emphasizing time after time that a majority government will be formed, if the Christian People's Party stands firm on its ultimatum.

In the Conservative Party they realize quite clearly that they must now watch their P's and Q's. The Christian People's Party is presumably left today with all the blame in the voters' eyes for the fact that a three-party government is now less likely than previously. Too much talk on the Conservatives' part about the excellence of a pure Conservative government can change that picture. For that reason the offer of cooperation by the Conservatives must remain open until the final hour. The Conservative Party will not be the party that breaks off any coalition negotiations after the election. That rôle will be left for the Christian People's Party.

That line will be loyally followed by the Conservative Party's more prominent and active spokesmen. The only disturbing factor may be the party's rank and file.

Among them there has long been a desire for a more active attitude toward the parties of the center. It is among the rank and file, and not the leadership, that there are many who dream of a pure Conservative government. In the leadership there is too great awareness of the drawbacks of a minority government to go around dreaming about one.

8815

CSO: 3108/134

SHIFTS IN LINE BY CHINA CONFUSE MARXIST-LENINIST PARTY

Oslo ARBEIDERBLADET in Norwegian 30 Apr 81 p 3

[Text] "We are in crisis. The whole international Marxist-Leninist movement, and hence also the Norwegian one, is experiencing serious problems. There is no reason to conceal this fact any longer."

That acknowledgement comes from Pål Steigan, chairman of the Workers Communist Party (Marxist-Leninist), in a broad interview in the weekly DAG OG TID today.

And the reason for the crisis?

"Vacillating Chinese policy must bear its part of the blame -- the many shifts of line While Mao was in power, we had unlimited confidence in Chinese policy. We swallowed the Chinese policy hook, line, and sinker," Pål Steigan told DAG OG TID.

The party chairman, who has been active for many years, says of the attitude of the AKP (m-1) (Workers Communist Party (Marxist-Leninist) today:

"We have learned to stand on our own feet instead of waiting for the light from Balling. We are developing our own policy, independent of China's views. For the last 2 years the AKP (m-1) has tried to develop a policy of its own."

"But still people are quitting, resigning from the party?" ask DAG OG TID's journalists Harald Stanghelle and Helge Arild Bolstad, who can point among other things to Helge Øgrim's crass characterizations in last week's DAG OG TID--an interview that was disseminated in all Norwegian mass media.

"Some have left," Steigan concedes. "There has been a debate among other things between the Red Election Alliance and ARP (m-1). Ten RV'er's [adherents of the Red Election Alliance] in Oslo got out because they were dissatisfied with the relationship between the unorganized and the party within the alliance."

with regard to Helge Øgrim, the party chairman says: "Øgrim's anecdotes are quite distorted representations of the internal party life. He took grotesque examples from the ultra-left period in the AKP (p-1) from 1975 to 1977-1978. At that time great mistakes were made in the internal party life."

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POLITICAL NORWAY

BRIEFS

PROGRESSIVES RE-ELECT CHAIRMAN--Drammon (NTB) -- Carl I. Hagen was unanimously reelected as chairman of the Progressive Party at the national party congress Sunday. Bjørn E. Ytterhorn was re-elected vice chairman with 43 votes, while a minority of 16 voted for Svein Erling Haugan. Jens Marcussen continues as chairman of the parliamentary group after unanimous election. Other members of the party's national committee are Eivind Eckbo (50 votes), Peder I. Ramsrud (43 votes), Lodve Solholm (39 votes), and Svein Erling Haugan (41 votes). Haugan was placed in nomination by a minority of the election committee. He replaced Randi Hilstand Mauseth, who has been a member of the national committee up to now. This leaves the Progressive Party leadership with no women members. The party's program for the coming Storting term was adopted according to the draft in all essentials. A central point is phasing out the Price Directorate, which would be replaced by a competition inspection service. Its function would be to prevent cartel formation and the establishment of monopoly firms. In this connection the party also wants a market court established. These institutions, together with other measures, would work together to reestablish the market economy. [Text] [0:10 ARBEIDERBLADET in Norwegian 11 May 81 p 6] 8815

(SJ: 3108/140

COMMENTARY ON BALSEMAO'S REJECTION OF COALITION WITH PS

Lisbon EXPRESSO in Portuguese 1 May 81 p 2

[Article by Marcelo Rebelo de Sousa in the column "Political Analysis": "Balseman Says Goodby to the PS and Constancio Discusses Revision of Constitution"]

[Text] 1. Buny Week for Reporters

Every year at about this time, we always write practically the same thing: The week between 25 April and 1 May is, by definition, a politically busy week.

The year 1911 is no exception to the rule.

The 25 April celebration provided a calm session in the Assembly of the Republic, with a speech by the president carefully striving not to raise any controversial political issue, several demonstrations by the people (including the unity demonstration that finally lowered its tone somewhat in the content of the speeches to which it gave rise) and especially several military demonstrations.

It may even be said that the originality of 25 April 1981 was less in the Lisbon unity demonstration (in which the PCP made a slight tactical retreat at the last minute) than in the statements made by members of the Council of the Revolution in military gatherings allusive to the date.

But 25 April was followed immediately by several other important political events.

The Second Economic Activities Congress came to demonstrate a considerable revival of Portuguese private initiative.

The government continued the counteroffensive orientation of revealing some measures on economic and social policy, this time falling into the field of housing.

The trip by Eanes to the FRG to meet with Chancellor Schmidt and his rejection of the government's proposal for awarding a decoration to Sa Carneiro and Amaro da Costa gave rise to a pertinent political dispute between the government and the president of the Republic.

The PCP did not overlook a certain amount of increased pace aiming at May Day, in which the celebration organized by the CGTP/IN Teneral Federation of Portuguese Workers/National Intersyndical), stands out, although this year the social wave has slackened

substantially in compari on with last year. The series of political events of another nature and the reservations shown by broad sectors of the PS in united front initiatives with the PCP finally turned this week, which was expected to be turbulent, into a mark-time situation without excessive labor movement.

Mario Soares came in at the last minute before the Socialist Party Congress, taking over already as potential winner of that congress.

All this was much in 5 days. And it was evidence of the acceleration of Portuguese political activity. This acceleration coincides in time with the period between 25 April and 1 May.

2. Balsemao Defines Himself

Two basic political statements stand out in this state of affairs. The first one was by the prime minister and president of the PSD [Social Democratic Party], Prancisco Pinto Balsemao.

In a press conference held on 25 April precisely, accompanied by Diogo Freitas do Amaral and Goncalo Ribeiro Teles, Francisco Balsemao made, perhaps, his most important political declaration since taking over as head of the government.

He stated clearly and categorically that the PSD is staking everything on the Democratic Alliance, that the PSD is ready to attempt any government understanding, on a short-term or medium-term basis, with the Socialist Party, reaffirming in this way a readiness to keep the government bloc united for the term of the current legislature.

Balsemae said more. He said that he does not support, and will not support, government rapprochements with the PS in the next few years, pointing out that this is also justified for inherent reasons of rivalry between both parties, with each of them aspiring to be the major Portuguese party and both are trying to win, to a considerable extent, the same areas of voters.

These statements by Pinto Balsemao emerged precisely at the time when Mario Soares, who was preparing the PS postcongress, was already beginning to becken to the PSD in the expectation of a split within the AD [Democratic Alliance].

They also occurred at the time when commentators and analysts aware of the need (logical or political) to split AD were stressing the cracks existing in it or that they assume to have stemmed from its original conception itself (in this connection, see the interesting speculative essay by Jose Antonio Saraiva in his article published in EXPRESSO Magazine).

In other words, Balsemao chose the time that seem'd most appropriate to him for defining himself, once and for all. And he defined himself, binding himself, and with him, reaffirming the binding of PSD to the governmental, parliamentary and general political commitment which is the Democratic Alliance.

3. Goodby to the PS

Balmemao's statement has three obvious corollaries;

- a. It attempts to strengthen the government's unity and solidarity at the start of the period preceding May Day and in which the PCP tested the government's response capability, specifically with regard to labor grievances.
- b. It also means the point of transition to the public depoint and the AD rank-and-file with regard to constant, strengthened support of the Alliance, thus establishing the two-way bond between the government and the three parties composing it.
- c. It represents a goodby to the PS concretely by rejecting positively the courtship of Mario Sources who was, perhaps, counting on turning his internal victory into a condition for immediate rapprochement with the PSD.

First of all, it is not by chance that Balsemao's statements coincide with the denial of any government reorganization in the near future.

It is said that Minister [of Labor] Eusebio Marques de Carvalho--directly affected (and in what way) by the civil service confrontation--requested reaffirmation of the confidence of the government and of the prime minister in his performance of his duties as minister, using for this purpose the customary means of requesting resignation from the post that he holds. As would be expected, Pinto Balsemao immediately reaffirmed that confidence and, therefore, was able to make his statement with the convenience of the nonexistence of any crisis, even individual, in the government headed by him.

In addition, it is also not by chance that Balsemao's speech is being followed by the announcement of the first assembly of Democratic Alliance, held in the last 5 months. PSD, CDS [Social Democratic Center Party] and PPM [Popular Monarchist Party] leaders participated in that assembly. Moreover, on Monday, a reading will be taken of the degree of mobilization of AD and of the government's harmony with its bases of support.

Finally, in an advance move, Balsemao said directly that he does no accept any courtship by Mario Soares, contrary to certain AD partners, or, rather, at the expense of AD's internal unity.

In one word, Balsemao's statements increased the credibility of the government image. They showed a certain amount of "hold" over events and closed the door temporarily on the facile speculations that would emerge inevitably from future proposals by Mario Soares with regard to a PSD/PS merger.

Perhaps for that reason, Mario Soares--although continuing to touch upon that issue--was so vague on it in the somewhat pale interview that he granted to EXPRESSO right after the statements by the prime minister and that we are publishing today.

Constancio Breaks Silence

The second important political event of this week received less notice than the first one. And, nevertheless, its importance cannot and must not be underestimated.

Socialist leader Vitor Constancio, breaking a certain degree of silence that he has kept with regard to the forthcoming revision of the constitution, made a speech of the greatest present and future significance in the Second Economic Activities Congress.

Vitor Constancio began by admitting that there are, in the Portuguese Constitution and in common law, specific provisions contrary to the Treaty of Rome, like the general system of effectiveness of international law in the domestic legal system, rules on the taxation system, on foreign trade and on legal monopolies, both in the field of foreign trade and in the distribution of products derived from oil.

He added further that, in addition to these provisions, there are other provisions that, although they do not conflict with Portugal's membership in the EEC, would gain by being clarified in their content, by eliminating ambiguous statements with regard to designing Portugal's economic system. That is true, for example, of article 2 of the constitution, of the manner of delimiting the production sectors (in which Constancio advocated describing the private sector as positive), of provisions mentioning elimination of the relations of capitalist production, of adoption of relations of socialist production or of the democratic power of the working classes. That would also be true of article 90, with reference to dominant sanctioning of the future so-called social ownership sector.

This point of view presented by Vitor Constancio, although as a personal stand, was stressed by other participants in the same panel as if opening up very positive prospects of a consensus in negotiating revision of the constitution.

As is obvious, Vitor Constancio advocated maintenance of the irreversibility of the nationalizations processed after 25 April 1974, although pertaining to enterprises and not to sectors of production and he supported the social advisability of the collective expropriation of the principal means of production.

But, in all the rest of the articles on the economic system, a trend toward agreement of his stand with others outlined in areas in sympathy with AD was evident.

And even on the points mentioned as being at variance, it should be emphasized that AD's draft revision of the constitution refers to the state's intervention in the hasic sectors of the economy. This intervention may specifically take on the form of expropriation of capital, aside from the fact that the formula advocated by Constancio with regard to the irreversibility of nationalizations would not prevent access of private enterprises and cooperatives to the pertinent sectors, provided it is permitted by the constitution and by law, especially as a result of the interpretation to be given to the principle of freedom of establishment sanctioned by the law of the European Economic Community.

Naturally, there still are areas for debate and probable difference of opinion on this and other issues concerning revision of the constitution.

The pragmatism and realism of the point of view expressed by Vitor Constancio seems, however, to give the green light to a certain degree of optimism with regard to the negotiations to be established between AD and the socialist members of parliament.

Once more, Vitor Constancio reveals a flexibility in negotiation and a capability of anticipation that may be important. And he also shows that the victory of Soares in the next PS congress is probably very far from representing his political finish.

It may also express a momentary disappearance, in a cautious crossing of the wasteland, necessary so that this competent technocrat may also become a determined politician equipped with leadership capability.

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CSO: 3101/86

POLITICAL

CAUTIOUS TRANSITION TO DEMOCRACY EXPLORED

Istanbul TERCUMAN in Turkish 24 Apr 81 pp 1, 12

[Article by Nazli Ilicak: "Partial . Impartial?"]

[Text] Those who represent the various sectors of Turkey, for the most part, want to remain in the Council of Europe. This common view stems from different ideas.

While for some, the idea of applying pressure in one way or another on the National Security Council and the government is uppermost, others see the guarantee of a free regime in the Council of Europe, which is admired as the cradle of democracy and human rights, and feel that a break with Europe would lead Turkey into rash adventures. As long as this common view exists, Turkey's chance of retaining its Council of Europe membership improves, because even if the delegations coming and going in our country confront each other with different and conflicting claims, the final suggestion is always that "Turkey's membership should continue." Another important reason for the developments in our favor is the National Security Council's open-minded and indulgent attitude toward the West. Patiently answering the questions of the parliamentarians and journalists who come from around the world, explaining things to them and trying to convince them are signs that democracy will be restored.

Democracy does not exist in Turkey today. But everyone, whether civilian or military, cut his teeth on the years of democratic experience and believes that this regime is best. The military administration is much milder than similar cases in other countries and this stems from its belief in democracy. The single reason for our ability to speak freely and to write freely today is that the memory of democracy is still very much alive. We are not depressed by fear of a closed regime, nor has the weight of a restrictive regime broken our backs. We are in a narrow passage whose beginning and end are democracy. If we reduce mistakes to a minimum, we can get through this passage more quickly.

What mistakes? The mistake is in making politicians fall from favor and politics lose its respect. Parliament was abolished after 12 September and, until a new one is formed, the national deputies and senators, that is, the elected representatives of the people, have been removed from their duties. We may say the same for mayors and municipal assembly members. All of these are sacrifices which the transition demands of the nation. Continuing the embargo on the national will is not something that would be accepted after the period of transition ends. Too, if it is remembered that the quota senators from the same parliament were rewarded by being made ministers, punishing the others simply means encouraging impartiality and the abjuration of politics. Democracy flourishes in the hands of the politicians who represent a variety of ideas, not in the hands of nonpartisans. Doesn't walking

in an "impartial" direction make it hard to reach the destination? Then "impartial" is gradually losing its meaning. Impartial according to whom? Those called impartial today take the part of the administration. The administration has formed its own cadre. The appointment of so many people foreign to the problems on the rationale that they are "impartial" may, just as the state mechanism hinders acting with speed and in the direction desired, make the transition to democracy more difficult because of the diffusion of interests.

Yesterday was April 23. The day on which the Turkish Grand National Assembly was founded. While celebrating such a holiday without a parliament, we would hope to have a legislative body elected at an early date, but able to perform its duties properly.

/Note: This desire comes from the pen of a writer who is not impartial, but partial and proud to be partial./ [in boldface]

8349

CSO: 4907/254

POLITICAL TURKEY

FORLIGN MINISTER TURKMEN INTERVIEWED

Relations with Greece Discussed

Istanbul CUMHURIYET in Turkish 26 Apr 81 pp 1, 7

[First of two articles on CUMHURIYET interview with Foreign Minister Ilter Turkmen by Sedat Ergin: "Turkmen: We Are Concerned Over Developments"]

[Text] Ankara -- Foreign Minister Turkmen answered CUMHURIYET's questions on Turkish-Greek relations. Pointing out that they were concerned that certain recent developments would seriously upset the air of trust between the two nations, Turkmen said in connection with the Greek government's attitude toward Armenian activities, "This attitude clearly conflicts with the efforts to create an air of trust between the two nations."

Stating that it would not be useful to make a comparison between the note delivered to Greece last week in connection with fanatic Armenian demonstrations and Athens' answer to it, Turkmen said that "the Greek government's attitude henceforth would be watched and action would be taken accordingly." Turkmen also drew attention to the anti-Turkish activities of Greek parliamentarians in the Council of Europe and the European Parliament. The questions we asked Foreign Minister Ilter Turkmen and his answers are presented here in summary:

Question: It was requested in the note delivered to the Greek government in connection with the fanatic Armenian demonstration in Athens last Sunday that measures be taken to prevent the further occurrence of activities of this type. Did you find the Greek government's reply to the Turkish note adequate and satisfactory?

Answer: If we were to make a word-for-word comparison of such notes and say, "This point is unclear, it is necessary to question the Greek government on this point again," there would be no end to the exchange of notes with Greece. Rather, it is necessary that we look at the effect of the note we delivered. Greece avoided many points in its reply. The most important of them is that it said, "I cannot prevent this. My laws do not permit it." Greece admitted that a member of the ruling new Democracy Party attended, but pointed out that this member had not attended on behalf of the party. It was stressed that there was no question of Greece's being used for behavior hostile to Turkey. It is explained therefore that certain points in the Turkish government's note do not apply.

I believe that it is necessary to wait for the outcome of this matter. It is necessary to see what attitude the Greek government will adopt in connection with Armenian activities. It would not be right to make an evaluation purely on the basis of their answers. I am not saying that the Greek note was satisfactory, but I would like to say that making this sort of comparison would not be a very useful exercise. We will see how the Greek government acts after this and make an evaluation accordingly. There are a number of elements in the note. It would not be right to reach a conclusion on the Greek government's attitude by looking at the note alone.

Question: Turkey and Greece are going through a period of rapprochement. They have undertaken on both sides [words omitted] to affect negatively each other's public opinion. In this connection, Greek Foreign Minister Mitsotakis made speeches which were welcomed as constructive in Ankara. At such a time, then, doesn't this attitude in connection with Armenian accivities violate rapprochement?

Answer: This situation clearly conflicts with the efforts to develop relations and create an air of trust between Turkey and Greece.

Question: Another point is the anti-Turkish efforts by Greek parliamentarians in forums such as the Council of Europe and European Parliament. You warned the Greek government not long ago of the need to act with care in forums of this type. It is known that representatives of the New Democracy Party in the government, never mind PASOK, have engaged in anti-Turkish activities. Is this not also a conflict? In any case, they can control their own parliamentarians to a specific degree if they want to...

Answer: We cannot make charges saying they could exercise full control if they wanted to, because if we look at our own experience, it is impossible for you to say that a party can exercise full control over its deputies. There is a mixture of views in every party. There may be members who exceed the party line. But if we were to look at the development of this matter now, we would see that the Greek government had informed us that it had strongly recommended that national deputies who are members of the ruling party expend [as published] anti-Turkish efforts in the halls of the European Parliament and not participate in anti-Turkish activities. And at times we had the impression that this recommendation was heeded. But lately, beginning especially with the European Parliament resolution, we see that New Democracy Party national deputies, let alone attending anti-Turkish activities, are even leading them. It would not be right to attribute this to the ill will of the Greek government. But has the Greek government done everything it could to prevent it? I cannot say. The situation which emerges, however, is that government national deputies are participating publically in anti-Turkish activities. The latest example of this was the participation of New Democracy Party members in the Armenian demonstration in Athens.

Rapprochement and Expectations

Question: What are Ankara's expectations of Athens now for the progress of rapprochement?

Answer: Our goal from the outset was to improve relations with Greece. We did not have any great expectations. We snew that improvement of relations would be gradual and slow, that a leap toward resolving problems would not come easily.

Our purpose was to create a mutual climate of trust and to take tiny steps. This is where we intended to start. We must admit that certain members of the Greek government have acted along these lines. They, like we, have tried. But we are concerned that, either because they cannot control the situation or because they are not sufficiently committed to this policy, there are certain developments recently which would seriously upset the climate of trust. In any case, we are not in a position to convey any excessive optimism for Turkish-Greek relations at this stage.

Rome Meeting

Question: What result do you expect on the Aegean airspace problem in your talks with Greek Foreign Minister Mitsotakis in Rome?

Answer: The Foreign Ministry secretaries general reached an agreement, albeit limited, on certain matters having to do with the airspace problem when they met in Ankara. We will review them.

Question: It is said that some of the danger zones over the Aegean will be lifted reciprocally...

Answer: Let us not announce them now, because the secretaries general did not announce them. They left announcement for the ministers. We will see whether we can make an announcement.

Question: In talks held recently at the technical level in Athens, Greece reportedly insisted that military flight plans should be reported. What is the situation on this?

Answer: It is impossible for us to accept anything outside the international civil aeronautics rules.

All or Nothing Does Not Apply

Question: It is being said that in deferring the continental shelf problem in the solution of the Aegean problem you have adopted a partial approach instead of an integrated approach and that this will have a negative effect in the long run on Turkey's interests in the Aegean. What is your response to these views?

Answer: I think that we did not go into this matter with a partial approach, but with a realistic approach. It is not a question of ignoring the continental shelf problem. The secretaries general have discussed the continental shelf problem in every meeting. But it would benefit neither Turkey's interests nor our efforts to create gradually a climate of trust between Turkey and Greece to ignore the areas in which we can achieve results now by saying we cannot achieve results in the short term on the continental shelf problem. I feel that an "all or nothing" attitude is not a valid principle in foreign policy.

East-West, Middle East Relations Discussed

Istanbul CUMHURIYET in Turkish 27 Apr 81 pp 1, 7

[Second of two articles on CUMHURIYET intervi w with Foreign Minister Ilter Turkmen by Sedat Ergin]

[Text] Ankara -- Foreign Minister Ilter Turkmen stated that the Middle East problem could not be resolved without the influence on Israel and hence the contribution of the United States. In an interview with CUMHURIYET, Turkmen expressed great concern over the Lebanon crisis.

The questions asked Turkmen and his answers follow, in summary:

Question: How will the growing signs of tension in East-West relations and negative developments in the detente process affect Turkish foreign policy?

Answer: The policy of detente which is the guardian of stability in East-West relations has suffered some serious jolts lately. The reasons are known. There was the Afghanistan problem, then the Polish problem. Our attitude in this regard is obvious. But despite these developments, we are developing our relations with our neighbors insofar as the international climate allows.

Question: Are there any indications that the signs of tension in Europe may also reflect on the Balkans?

Answer: On the contrary, the desire for cooperation in the Balkans now seems general. Of course, there are various differences between the Balkan states. There are nonaligned nations like Yugoslavia. There are Warsaw Pact nations like Romania and Bulgaria, and finally there are NATO nations like Greece and Turkey.

Therefore, this sort of multilateral cooperation may be possible, but all the nations seem to have the same outlook on the developing bilateral relations and seeking opportunities for economic cooperation.

We Are Concerned Over Lebanon

Question: How does Turkey appraise the Lebanon crisis?

Answer: We are greatly concerned over the Lebanon crisis. Our deepest desire is for stability in Lebanon. We are calling for all states concerned with Lebanon to cooperate in this regard. We feel that the UN forces should be given a chance to do their job and that the attacks must stop.

Middle East and European Initiative

Question: There are tangible differences between the United States and Europe on solution of the Middle East problem. But as you said earlier the United States is still in the process of formulating its Middle East policy. And in Europe a series of initiatives is seen. The British seem to be taking the active role in Europe. What shape do you think the West's efforts on the Middle East problem will take in the period ahead in light of these approaches? Will the European initiative return to the forefront?

Answer: Britain's appearance of greater activity probably has to do with taking its turn as EC chairman as of the end of June. The Europeans have no initiative at present. The Europeans always say that they are conducting a lot of research of their own in the Middle East, that they are studying the problem and that their purpose is not to introduce a rival process to the Camp David process. But we know that there are some differences between the U.S. attitude and the EC attitude, primarily the acceptance of the Palestinian reality in the EC attitude after last year's meeting in Venice. There has been no such devalopment in American policy. The basic difference stems from this. Will the Europeans be more active in the future? I do not know. But it is necessary to bear in mind this reality, that it is not easy to imagine that the Middle East problem could be resolved without U.S. participation because of its influence on Israel.

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POLITICAL

TRIAL BEGINS FOR ERBAKAN, NSP

Various Charges

Istanbul CUMHURIYET in Turkish 25 Apr 81 pp 1, 7

[Text] Ankara (CUMHURIYET BUREAU) -- Trial began vesterday of NSF General Chairman Nermettin Erbakan and 33 of his colleagues on colleges of "behavior in violation of secularism, crimes committed against Ataturk and publically inciting to opposition and crimes in violation of the assembly and demonstrations law." Trial of the NSF administrators began vesterday at 0930 hours at the Ankara Martial Law Court No 1. There were bearded men both young and 1d and about 10 veiled women in the audience. Local and foreign members of the press in the chamber eventually numbered 40. Members of the press are showing extraordinary interest in this first political trial to begin since 12 September. Most local and foreign journalists as well as the Turkish Radio and TV Administration and the National News Agency had cameras in tow. Erbakan and his 22 colleagues who were under detention were brought to the defendants' section. Then the 12 defendants being tried who were not under detention took their places. All shook hands.

After Frbakan and his colleagues took their seats in the defendants' section, the judicial council waited for photographers to take pictures. Necmettin Erbakan and his colleagues were objective expressions throughout. They were then reseated to comply with the order of the indictment.

This was followed by the poll of the defense attorneys. Seventeen attorneys were seated in the section set aside for defense attorneys, while 19 more sat in the front row of the audience.

Idris Arikan and Ismail Alptekin were appointed as spokesmen for the 36 attorneys defending Erbakan and his colleagues. This was followed by the roll call of defendants. Erbakan hesitated slightly before answering to "occupation," and Oguzhan Asilturk [NSP general secretary] prompted, "Mechanical engineer." Frbakan answered the hearing judge's question as "professor of mechanical engineer." heering." NSP General Chairman Nermettin Erbakan seemed relaxed to be the general chairman of a party being the first tried after 12 September. The other NSP members were obviously trying to emulate Erbakan's relaxed appearance and demeaner.

The court committee took its place after the entrance of irbakan and his colleagues. The court committee consists of Hearing Judge Kayahan Ozden, Rajir Ilhami Ugur Yilmaz and President Judge Niyazi Cagan. Public Prosecutor Judge of Nurettin Naver and Assistant Frasecutor Kadir Azizoglu then took their places. During the roll call of detendants, most were seen to be lawyers, construction master engineers and teachers. The hearing judge told Korkut Osal, who appeared at the hearing on crutches, "Don't stand if you are uncomfortable." Getting to his feet with difficulty, Ozal replied, "I can stand." Hasan Aksay gave his accupation as "author."

suleyman Arif Emre [NSP deputy general chairman] and Erbakan, sitting together, appeared to be praying during the roll call. The defends to generally watched the proceedings calmly. The roll call was completed at 1000 hours. A group of spectators was admitted to the artroom at this time. The indictment was then read.

The military prosecutor read the indictment, 11 ting the crimes of the defendants, and requested imprisonment of 14-36 years for Necmettin Erbakan, 3-12 years for Sevket Kazan, Temel Karamollaoglu, Tahir Buyukkorukcu and Ahmet Oguz, 4-17 years for Mustafa Yazgan, and 2-17 years for the other 12 [as published] defendants.

Reading of the indictment took 3 hours. A 5-minute recess was given at 1115 hours in the reading of this rather detailed indictment. The defendants embraced each other and talked a bit during this time. The audience stood to get a better look at the defendants. Necamettin Erbakan and Suleyman Arif Emre faced the courtroom, greeting members of the audience.

The military prosecutor read 35 pages of the 40-page indictment by 1200 hours and the hearing adjourned until 1430 hours.

Eriskan and his colleagues listened attentively to the presecutor's reading of the indistment; a few of them took notes.

Erbakan on the Stand

Istanbul CUMMURIYET in Turkish 25 Apr 81 pp 1, 7

Text | Amkira (CCMGURIYET BUREAU) -- NSP leader Necmettin Erbakan, during questing at the trial which began yesterday in Martial Law Military Court No 1, done the charges against him and maintained that 17 illegal right-wing organizations played a role in the Konya rally.

The military presenter completed reading of the indictment at 1515 hours and the actuality were examined. The hearing judge asked Erbakan what he had to say about the application of the indictment at 1515 hours and that the other charges in the indictment and that the other charges in the indictment and the considered as the extension of TPC 163/1.

Trible in the following in summary in regard to the charges against him in the

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Basic Principles of 12 September

"It was pointed out in the basic principles of 12 September that political parties not involved in anarchy would not be tried. 12 September protects the political parties not involved in the anarchy. Our party was not involved in any anarchy-related action.

"During the 6 months' investigation of us, about 1,000 party headquarters, about 1,000 administrators' homes, more than 2,000 associations and many homes have been searched, and nothing has been found. The charges mentioned in the indictment proved unfounded. Although it is stated in the indictment that party administrators have spoken in various places of an administration of the holy law, it cannot be said that I or any of the defendants have spoken of the existence of such a state. Although our party is charged with transforming a political and legitimate organization into an illegal state, it was a partner in many governments in the past 8 years, defined its duty in terms of its work in power and in the opposition and never expressed such a desire. The term 'association' in TPC article 16) cannot be related to the existence of a legitimate political party, because all of the activities in which we have engaged are legal and in the public domain. It cannot be contended that the political party was so illegitimate as to be banned by the Constitutional Court. Many of those among our party members who are defendants today filled ministries and passed laws in the coalitions. Saying that our party has not been legal since 1977 means denying all legislation passed up to that time and is the same as saying that even the President of the Republic and the other political parties were involved in the said action.

"The charges against us in the indictment may be divided into three groups. First is the question of the papers found of which there were 43. However, although there is mention of eaths of allegiance among a lot of signed and unsigned papers said to have been found in the search of party headquarters, all party congresses have been public and free. In a full confrontation there could be no question of allegiance. Moreover, although the indictment speaks of certain unlawful acts during meetings and would charge these against our party, the right to assemble is a constitutional right. It would have been impossible for members of our party or the speakers at the rally or the organizing committee, instead of state forces, to have contended with the crimes committed at the rally. In the many searches conducted during the past 6 months, no evidence that our party engaged in illegal activities was seized. Policemen were present at the meetings our party held, but no evidence could be presented that crimes were committed at any time.

"It was both stated in parliament and determined by state organizations that 17 illegal organizations of the extreme right were present. It is a fact that thes extreme rightist organizations tried to sabotage our party and engaged in actions at muetings and rallies connected with our party.

"Finally, I would like to say that there is no positive proof that I have violated TPC 163/1. I would like to point out that there is no legal basis for calling the 43 documents I mentioned 'evidence.'"

Denies Tapes

Erbakan then denied the charges that he violated TPC 163/4 by the speech he made in Mecca in 1979, the speech he made in Izmir on 12 June 1979, the speech he made at the Ankara National View and Culture Palace on 24 April 1979 and the speech on 25 August 1980 at the Canakkale Intepe Youth and Scout Camp. He also rejected all of the tape analyses alleged to belong to these speeches.

As regards the charge that he violated TPC 163/4 at the Konya rally on 6 September 1980, Erbakan said, "I spoke at a special assembly there. The tape analysis does not belong to me." As to the charge that the statement he gave to ER ISLAH magazine which is published in Dubai violated TPC 163/4-5, he said, "After this statement was published in Turkey in the HURRIYET newspaper, I was in touch with the editors of the magazine and told them there had been an error, and they apologized to me."

The NSP leader also denied the charges against him in relation to speeches in Beysehir in 1977, Eskisehir in 1979, Burdur in 1977 and Ankara in 1978 and added that he had nothing to do with these speeches.

During examination, the military prosecutor asked Erbakan a number of questions. In response to the question, "Did you read your statements, or did you sign them without reading them," Erbakan replied, "I read the first one and signed it, but I did not read some of them. Even the ones I read, I see more disparities in them when I think about them calmly." When asked, "Were you pressured not to read them," Erbakan said, "No, on the contrary, I was requested to read them."

Erbakan requested that he be released following completion of his examination. The court rejected the request on grounds that the examinations were not complete and that there was no change in the evidence. The court ruled that the defendants in detention should remain in detention and that the trial would resume on Friday, 1 May.

The military prosecutor then asked Erbakan what the words "Raiders, Fighters and The Faithful" which he used at the Konya rally meant. Erbakan said that the word "Raiders" could be used to mean the Seljuks and the words "Fighters" and "The Faithful" to mean the Ottomans.

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POLITICAL

DEATH PENALTY ASKED FOR TURKES

Istanbul TERCUMAN in Turkish 30 Apr 81 pp 1, 12

[Article containing text of covering statement of Turkes, NAP indictment and texts of TPC 146/1 and 149/2 among the laws under which they are charged]

[Text] Ankara (MEDITERRANEAN NEWS AGENCY) -- Trial began yesterday in Military Court No 1 of the Ankara Martial Law Command with requests for the death penalty for 220 NAP members, including NAP General Chairman Alparslan Turkes and 15 General Executive Board members. The military prosecution's indictment, consisting of 166 tiles and 945 pages, requests various sentences for a total of 587 NAP members, 498 of whom are in detention.

The written statement from the Office of the Ankara Martial Law Command Military Prosecutor follows:

"Whereas the principal Alparslan Turkes and the proponents of the nationalistidealist view, who intended to rule the state under his leadership and with the support of the Nationalist Action Party, did ignore the constitutional principles and other laws relating to the public order and, by means of legal and illegal associations, did divide into 'nationalist-communist' the Turkish people, which are an indivisible whole, one in destiny -- in joy and in sorrow, and did use force in a conscious and systematic way and within an organized and systematic order, and did create an authority vacuum among the public within the growing climate of terror and did strive to fill this vacuum by force, directing actions to give form to the final element by passing through the stages of training, education, conditioning, learning to take orders, organizing, arming and planning, under the mask of saving Turkey from communist aggression and order by establishing organizations and pockets of terror under the guise of a political party in order to subvert to its purposes the struggles in the social structure, in the political climate, in administration of the law and the state and in the economic structure in order to render themselves influential upon and dominant over society and the state, and did hold attitudes denying the right to work, education and virtually to live of those who disagreed with them, and did act in opposition to the order and existence of the state to induce in the Turkish people discontent, pessimism and loss of faith in the state by destroying its unity and cohesion, and did act with vengeance and malice considering as enemies and going so far as to kill or have killed those who disagreed with them and did instill the belief and view that the legal order and legal rights could not be exercised and that the police forces could not be trusted in, and by taking advantage of the pessimism and negative anarchist climate which this created did strive against the constitutional order to influence, and as a result, to rule the state under the administration of the proponents of the idealist view and the one principal, unrelenting leader Alparslan Turkes:

"Public trial is opened on 29 April 1981 in the Ankara Martial Law Command Military Court No 1 with the request for punishment of a total of 587 defendents, 498 of whom are in detention, including

"--64 defendants to include Alparsian Turkes under TPC [Turkish Penal Code] 146/1 and

"--156 defendants under TPC 149/2,

"And it is further resolved that proceedings should not take place in the cases of 141 defendants, 23 of whom are in detention, as insufficient evidence could be obtained to justify opening public trial in their cases, and further that files should be set apart in connection with 146 suspects who were not arrested."

TPC 146/1 and 149/2

Article 146/1 of the Turkish Penal Code, under which the military prosecutor requested conviction of Turkes and 63 defendants follows:

"Those who attempt by force to alter, modify or abrogate all or any part of the Constitution of the Republic of Turkey and to annul or prevent from performing its duty the Grand National Assembly which was formed by this law shall be condemned to death. For those who encourage commission of these crimes by conspiring orally or in writing or by action both individually and severally in the forms and methods shown in Article 65 or by executing dissemination by speech or inscribed placard or publication in the streets and squares or public gathering places, even if remaining at the level of conspiracy or attempt, the death penalty shall be ruled.

"Annexed paragraph: For accessories to the crimes written in the first paragraph or the other forms shown in the second paragraph, the penalty of imprisonment from 5 years to 15 years and exclusion from public service for life shall be ruled."

Article 149/2 of the Turkish Penal Code requested for 156 of the NAP defendants follows:

"Whosoever incites the people to revolt against the government by use of arms and narcotic or suffocating or caustic gases or explosive devices or encourages the inhabitants of Turkey in armed warfare against one another shall be punished by imprisonment not to be less than 20 years.

"If insurrection or carnage comes to pass as a result of this encouragement, anyone who gives cause to this or commands the principals shall be given the death penalty."

The military prosecutor did not distribute the 945-page indictment, nor was any statement made in connection with those for whom capital punishment was requested. The military porsecutor stated that 16 persons, including Turkes, of the 37 making up the NAP General Executive Board who are among the 220 defendants would be tried with the request for capital punishment and the remaining 21 under TPC 146/3.

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